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JPRS-SEA-87-040

19 MARCH 1987

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## Southeast Asia Report

19980616 021

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19 MARCH 1987

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AUSTRALIA

NATIONAL PARTY OFFICIAL URGES ENDING FEDERAL COALITION

BK150730 Melbourne Overseas Service in English 0430 GMT 15 Feb 87

[Text] Queensland's National Party premier, Sir John Bjelke-Petersen, has called on National Party parliamentarians to quit the 38-year federal coalition with the Liberal Party. Speaking on commercial television, Sir John said the Nationals had become glued to Liberal Party policies on issues such as taxation, and that the federal leader of the party, Mr Sinclair, was now half a Liberal. He said the matter would be discussed at a meeting in Canberra tomorrow of federal National Party parliamentarians.

The premier's remarks are the latest in a widening dispute between him and the federal leadership of his party. He has repeatedly criticized the coalition of opposition parties saying it lacked the tough policies needed to oust the Hawke labor government.

The federal coalition was established in 1929 when the National Party was known as the Country Party. In his latest outburst Sir John agreed that a split in the coalition could lead to the National Party running separate candidates against both the Liberals and the labor Party at the next federal election. However, he said it was not his objective to destroy the Liberals, and he would be happy to work with either the current federal leader, Mr Howard, or his predecessor, Mr Peacock.

/7358

CSO: 4200/358

AUSTRALIA

FOREIGN DEBT RISES IN SEPTEMBER QUARTER

BK180815 Melbourne Overseas Service in English 0430 GMT 18 Feb 87

[Text] Australia's net foreign debt topped \$80,000 million or U.S. \$53,000 million in the September quarter last year. Figures released in Canberra showed that net foreign debt during the period rose by 12 percent. National affairs reporter, Tony Hill:

[Begin Hill recording] The government sector was responsible for 10 percent of the net foreign debt of \$87,000 million. Gross foreign debt during the quarter rose to more than \$100,000 million mostly due to continued effects of the depreciation of the Australian dollar.

Foreign investment in Australia recorded a net inflow of 16 percent on the previous quarter with most of the increase coming from nongovernment borrowings. The total level of foreign investment in Australia reached \$112,000 million. [end recording]

The figures come only 2 days after the release of the latest current account deficit in Australia's trade performance. The deficit more than doubled in January to nearly \$100,300 million which was mostly due to a steep drop in exports.

/7358

CSO: 4200/358

## AUSTRALIA

### BRIEFS

NEW ZEALAND RIFLE CONTRACT--Australia has won a \$30 million [Australian dollars] contract to supply the New Zealand Army with 18,000 rifles over the next 4 years. Under the terms of the deal, the federal government's office of defense production will manufacture under license the Austrian-designed 5.56-mm Steyr rifles which are already supplied to Australia's defense forces. New Zealand's defense minister, Mr O'Flynn, has welcomed the contract as a major step forward in Trans-Tasman defense cooperation. [Text] [Melbourne Overseas Service in English 0830 GMT 13 Feb 87 BK] /7358

CSO: 4200/358

NUCLEAR POWER PLANT OPTION STUDIED

BK241036 Hong Kong AFP in English 1027 GMT 24 Feb 87

[Excerpts] Jakarta, Feb 24 (AFP)--Five foreign firms have begun feasibility studies for Indonesia's first nuclear power plant, but the project may be scrapped if projected generating costs are too high, a senior official said Tuesday.

The companies are to submit reports in June or July and the government hopes to take a decision on whether or not to proceed by the end of the year, the head of the National Atomic Energy Agency (BATAN) said.

West Germany's Kwu, which has accepted an Indonesian requirement to cooperate with France's Framatome, the U.S. company Westinghouse, Japan's Mitsubishi and the Atomic Energy of Canada Ltd (AECL) have all signed memoranda of understanding for the studies during the past three months, BATAN Chief Jali Ahimsa said.

All firms, with the exception of Canada, are working on concepts based on a Westinghouse design for a 900-megawatt plant using enriched uranium, Mr. Ahimsa told AGENCE FRANCE PRESSE.

AECL is offering a pressurized water nuclear reactor of the same capacity that would use natural uranium.

Independent estimates put the cost of the plant at 1.5 billion U.S. dollars.

Among factors determining whether the project will go ahead will be the projected price of the electricity to be sold to the national electricity company (PLN), Mr Ahisma said.

"If the price of electricity is reasonable for PLN then there is a good chance the project will be implemented," he said.

On the other hand, if the electricity produced is too expensive "the decision might be not to build it," he added.

An initial decision would be taken by the nuclear power study team, set up in the middle of last year and expanded last month, which includes nine governmental and para-governmental representatives.

The decision would then be submitted to the minister of mines and energy, Subroto, and to the minister of research and technology, Bacharuddin Habibie for approval.

Though a major oil producer and exporter, Indonesia's domestic energy consumption doubles every 10 years and the country faces the prospect of becoming a net oil importer by the end of the century, the atomic energy chief said.

Efforts to expand energy production have so far focused mostly on coal.

/8309

CSO: 4200/367

## BRIEFS

PALM OIL DUTY CRITICIZED--The Indonesian Government has objected to a plan by the European Economic Community to impose import duties on fats and palm oil, especially from ASEAN countries. Finance Minister Radius Prawiro made the remarks at a news conference in Kuala Lumpur yesterday after attending the opening of a course for valuers attended by 30 officials of the Indonesian Finance Department at the National Valuation Training Institute in Bangi. He said international trade in 1985 and 1986 favored developed countries more than developing countries. This trade balance would be further upset if import duties were imposed on commodities produced by developing countries, especially in the ASEAN region. [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 3 Mar 87] /8309

CSO: 4213/56

## TRADE ISSUES VIEWED IN LIGHT OF RELAXATION BY THAIS

## Smuggling Will Probably Continue

Bangkok THE NATION in English 15 Feb 87 p 3

[Article by Naowarat Suksamrarn]

[Text]

LEGALIZED trade between Thai merchants in Nakhon Phanom and their counterparts in Laos has been small in volume in spite of the recent official pledges by Bangkok and Vientiane to promote the Thai-Lao border trade. The trade has actually been overshadowed by the lucrative smuggling in the border area. However, a group of Thai merchants in this northeastern province is trying to improve the situation through direct talks with the Lao authorities.

On Jan 27, a Thai team led by MP Wattana Assavahem (Rassadorn, Samut Prakan) met with the Lao authorities led by Kamban Chansong in Tha Khek. A second meeting was held last Thursday. The Thai team reported afterwards that Kamban has agreed to permit more Laotians to cross the border for trade in Nakhon Phanom.

Kamban, who is reportedly a provincial governor, also told the Thais that he will allow the export of at least 200 heads of cattle a month. Timber, mineral ores and forest products may also be bought from Laos. Kamban, however, requested that the payment be made in US dollars through a mutually agreed upon bank.

MP Wattana, who is deputy leader of Rassadorn Party (one of

the four coalition partners), said he welcomes the breakthrough in the talks. Wattana missed the second meeting because of an auto accident.

One Thai merchant in Wattana's group said now it is up to the Thai government to make the next move in promoting the border trade by relaxing the trade restrictions.

Wattana is a member on the House committee on economic affairs. He is expected to urge the committee to make recommendations to the government on how to go about promoting the border trade. The recommendations will likely include a call for an increase in the number of trading days. At present Monday and Thursday are the trading days of each week.

In Nakhon Phanom, the border trade is conducted at four places: Muang District, Tha U-thane District, Dhat Phanom District, and Baan Paeng District. However, since the official opening day of the trade on Jan 19, less than 500 Laotians have crossed the border into Nakhon Phanom.

The Laotians are permitted to stay in the four districts from 8.30 am til 3 pm when they must report to the Thai authorities and return to Laos.

An informed source disclosed that at least 75 Laotians who entered Nakhon Phanom as merchants have disappeared. Thai security officials have been searching for them.

Chief District Officer Santi Kriangkraisuk of Muang Nakhon Phanom said most of the Laotians who came to trade were small merchants who bought less than 1,000 baht worth of goods for trade.

A large number of small Laotian merchants want to come to Nakhon Phanom but the Lao authorities do not permit them to cross the border. "We have heard that only one or two out of 10 applicants are given the permit to cross the border," Santi reported.

Some Laotians also want to come to the Thai province for medical treatment. In some special cases, the Laotians are allowed to stay beyond the officials time limit.

Santi said Nakhon Phanom has a high potential for more trade with Laos because Tha Khek is the gateway to southern Laos.

But Santi also noted that the Thai side has to be extremely careful in controlling the presence of Laotian merchants because some of them may not want to return to Laos.

Moreover, the Thai authorities are also concerned that a growing trade contact with Laos may inadvertently facilitate the smuggling of war weapons into Thailand from Laos and Vietnam.

In addition to the arms smuggling, the smuggling of marijuana from Laos is also a major problem. Recent reports indicate that Lao authorities have permitted, or at least tolerated, the

marijuana plantation in border villages. Some reports say each family living along the border may grow up to 20 rai of marijuana.

A senior official of Nakhon Phanom who requested anonymity said a rai of marijuana can produce a crop worth about 10,000 baht at local wholesale price. It is believed that part of the marijuana is smuggled into Thailand through Tha U-thane District. This has earned Nakhon Phanom the nickname of "Marijuana Capital of Southeast Asia."

The marijuana farmers, with their high income from selling their crop to smugglers, have a growing appetite for consumer goods. This, in turn, has given rise to the smuggling business.

Outsiders still have the misconception that all Laotians are poor, said the senior Thai official. "Actually, some of the Laotians who live near the border are very rich," he added.

The smugglers also deal in sea foods from Vietnam and dried goods from China that are in high demand in northeastern Thailand. Cattle is another popular smuggling item. A head of cattle can be bought at about 2,000-3,000 baht on the Laotian side and sold for up to 5,000 baht on the Thai side.

It remains to be seen how the promotion of legalized trade will affect the smuggling business. Chances are that it will not convert border smugglers to go straight.

## Vientiane District-Loei Trade, Medical Treatment

Bangkok THE NATION in English 15 Feb 87 p 3

[Article by Vithoon Pungprasen]

[Text]

**LOEI — If Bangkok gives the greenlight, Chiang Khan District of this northeastern province may become one of the most hectic border trading posts along the Mekong River.**

Traders and local authorities here see great potential in border trade with the Laotians, especially through the barter system.

"The atmosphere now is just right

for a better trade tie with Laos," commented Governor Chiwin Sutthisuwan.

The governor, a supporter of expanded border trade with Laos, told *The Nation* that Chiang Khan District should be opened as a trading point with Laos as soon as possible.

He said the Laotians are in need of consumer products from Thailand while the Thais want timber, rattan and herbal medicines from Laos.

"And the Laotians are willing to enter into barter arrangements," he said.

Chiang Khan, about 50 km from the provincial seat, is opposite the Laotian town of Sanakam whose communications with Vientiane are often difficult. Residents of the Laotian town have to depend on Thailand for 70-80 per cent of their basic commodities.

Chiang Khan was a trading post in early 1970s before the



communist takeover in Laos. Governor Chiwin recalled that during that period Thai authorities were able to collect huge amounts of customs from the border trade.

Because of its difficult communications with Vientiane, Sanakam has been buying such consumer products as detergent, sugar, and salt as well as auto spareparts and sandals from Thailand. Many of the items were smuggled across the river which is only about 100 metres wide at this particular section.

Figures provided by customs officials here show that in 1973, they collected eight million baht in customs from the border trade before it jumped to 19 million baht in 1974 and early 1975.

"It was then one of the most active border trading points along the Mekong River," one official said.

News that the Thai Government is considering Vientiane's request for the opening of more border trading points has been eagerly greeted by the people here. And all they need today is the greenlight from the Interior Ministry to formally permit cross-border trade.

But even without the official endorsement, trading of limited scale has been continuing between

Smuggling is nothing new to residents living on both sides of the river. Officials said that in less than a month, they were able to seize 200,000 baht worth of smuggled goods.

"If we make the trade official, we would be able to collect customs which we are losing now," one of them said.

Traders here are already preparing their first lot of goods to be sold to Laos as soon as the government gives the greenlight for the opening of the trading point. Officials said the merchants plan to sell 20 items of consumer goods amounting to 185,000 baht in exchange for 31 items of converted timber and rattan from Laos for furniture factories here.

Termsak Pampahol, the president of the provincial chamber of commerce, also voiced support for more trade with Laos. He urged the government to further slash the number of the so-called "strategic goods" banned from export to Laos.

Governors of the provinces bordering Laos are currently authorized to permit exchange of goods with Laos with value up to 40,000 baht at a time. But Termsak said the value should be at least 60,000-100,000 baht.

Chiang Khan and Sanakam for years.

Authorities here said that they permit twice weekly visits by Laotians from Sanakam to buy what they need in Chiang Khan. Every Tuesday and Thursday, large numbers of Laotians can be seen arriving in Chiang Khan on boats.

Many of them come with goods which Thai merchants are interested in buying.

And for humanitarian reason, local authorities here also allow the Laotians to get medical treatment for the sick in Chiang Khan. The officials said most of the Laotians have problems with their digestive and respiratory systems as well as malaria.

Between January and December last year, more than 2,000 Laotians crossed the river to Chiang Khan. The trading is controlled by a regulation which demands that any purchases or sales by the Laotians must be made with members of the Loei Traders Club.

"We have heard that Laotian authorities are happy with the more positive gestures from the Thai side. They fully support the idea to open more border trading points," one local official told *The Nation*.

## Champassak-Ubon Atmospherics Reported

Bangkok THE NATION in English 7 Feb 87 p 2

[Article by Kavi Chongkittavorn]

[Text]

IT was a brief but delightful encounter. On the Thai side: Foreign Minister ACM Siddhi Savetsila and hordes of officials. On the Laotian side: a dozen border patrolmen. The place was in Chong Mek, a deserted border checkpoint in Ubol Ratchatani Province.

Chong Mek was suddenly turned into a lively place on Thursday — a carnival of sort — when Siddhi dropped by at this border checkpoint with

two well-known movie stars — Apichart Halamjiak and Mayura, who is Siddhi's daughter-in-law.

There is only a rag-tag barb-wire fence dividing the two nations along with an old and rusty steel-piped door, which cuts across a road joining Thailand's Ubol Ratchatani and Laos' Pakse.

Initially, it was a reluctant moment for both sides. When the Laotian officials saw throngs of Thai officials swarming the border area, they

frontier at Chong Mek. Siddhi also invited him to cross the border to the Thai side for softdrinks and cold napkins.

The minister also took the opportunity to introduce Mayura and Apichart to him. "Do you know them? They are movie stars. Mayura is my daughter-in-law," Siddhi said. After a few seconds of pause, Bounphan said he recognized the two very well because "they played on TV."

stepped back and walked inside their office about 20 metres from the demacration line. To break the ice, Siddhi was quick to invite a Laotian patrolmen for a friendly chat. He walked to the fence and shook hands with Siddhi. They were all smiling then. Before long, everybody joined in.

The official was later identified as Capt Bounphan Thoungma, chief of the unit guarding the Thai-Lao

After posing for photographs, Siddhi walked to a demacration post, and greeted other Laotian officials. He asked about their families and the situation along the border.

According to provincial officials and local people, they all wished that Chong Mek could be opened again so that villagers from both sides can trade with one another. Thai villagers lamented that they had some surplus agricultural products

left, which they knew could be sold to their Laotian friends, and wanted the Thai authorities to review the border policies.

Siddhi said that Chong Mek will be opened on a temporary basis to serve the needs of the two peoples. He said that the matter will be raised in the upcoming talks in Bangkok between Thai

and Laotian officials at the end of this month.

Most of the villagers living in that area have relatives across the border. They said that on special occasions such as Buddhist ceremonial days the Thai authorities will allow Laotians to come to Thailand. While on their back to Laos, they will take with them some necessities.

/9274

CSO: 4200/361

## BRIEFS

VIENTIANE BATTERY, WIRE FACTORY PRODUCTION--The electric wire and plastic ware factory of Vientiane, in 1986, turned out more than 500,000 metres of electric wire, 65 percent above the plan, and 221 tons of plastic ware surpassing the yearly plan by 15 percent. The factory also produced nearly 2,000 motor-car batteries. It was made known that since the application of the new socialist economic management four months ago, the factory's productivity has been raised by 8 percent. In 1987, the factory plans to turn out 357,000 metres of electric wire, 206 tons of plastic and about 2,000 car batteries. [Text] [Vientiane KPL NEWS BULLETIN in English 12 Jan 87 pp 2, 3] /9274

SARAVANE COFFEE PURCHASES--Vientiane, 16 Jan (KPL)--In the past year, the trade service of Lao ngam district, the southern Saravane province bought a large quantity of forestry produce from the local people. This included over 200 tons of cardamom, more than 1,100 tons of coffee beans, 180 tons of soybean and over 50 tons of peanuts, an estimate of 20 percent more than targets. [Text] [Vientiane KPL NEWS BULLETIN in English 16 Jan 87 p 1] /9274

VATICAN AID--Vientiane, 19 Jan (KPL)--The Vatican, on 16 January, presented a consignment of aid to the Lao Ministry of Public Health. The aid was made up of 1,000 X-ray films worth 400 U.S. dollars from German Caritas; an anesthesia machine worth 10,831 U.S. dollars from "l'oeuvre de la Sainte Enfance", and the first consignment of medicines. Also on this occasion, the Ministry of Health also received a modern X-ray machine from Prof Pierro Gambaccini and his wife. The aid was presented to Prof Vannaret Rajpho, Vice Minister of Public Health, by Mgr Renato R. Martino, Vatican's representative. [Text] [Vientiane KPL NEWS BULLETIN in English 19 Jan 87 p 5] /9274

SOUBAN RECEIVES VATICAN REPRESENTATIVES--Vientiane, 22 Jan (KPL)--Mgr Renato R. Martino, the Vatican's representative to the LPDR, upon ending of his mission here, took leave of Souban Salitthilath, Deputy Minister for Foreign Affairs of Laos on 16 January. Mgr Renato R. Martino, who has his chancellery in Bangkok, on the same day, presented consignment of aid from the Vatican to the Mao Ministry of Public Health. The aid worth at 169,500 U.S. dollars was made up of medical equipments, medicines. A modern X-ray machine worth at 150,000 U.S. dollars, a gift from an Italian X-ray technician, Prof Pierro Carnbaccino was presented on the occasion. The aid was presented to Prof Vannaret Rajpho, Deputy Minister of Public Health of the Lao PDR. [Text] [Vientiane KPL NEWS BULLETIN in English 22 Jan 87 p 3] /9274

CHAMPASSAK COFFEE PRODUCTION--Vientiane, 24 Jan (KPL)--Trade service in the southern Champassak province has considerably developed last year. During this period, the service bought 3,500 tons of coffee beans, over 180 tons of soybeans, more than 150 tons of greenpeas, 16 tons of groundnut, 40 tons of resin, 20 tons of paddy and other forestry products. [Text] [Vientiane KPL NEWS BULLETIN in English 24 Jan 87 p 1] /9274

WOOD PRODUCTION--Vientiane, 29 Dec (KPL)--The Lao industrial wood factory has registered an important progress in the execution of its annual production plan. Since the beginning of 1986, the factory has fulfilled its annual plan of producing 57,000 cubic metres of timber, and produced 10,972 cubic metres of processed wood, or 95.5 percent of its targetted number. In the production of plywood, it has already turned out 504,000 sheets, 0.80 percent in excess of its annual plan, and sawed 150,400 cubic metres of timber. In the same period, the factory has produced nearly 87 million kip worth of furniture in wood, bamboo and rattan. According to Olaphim Inthavong, deputy manager of the factory, wood products turned out by the factory have also been exported to foreign countries. [Text] [Vientiane KPL NEWS BULLETIN in English 29 Dec 86 p 2] /9274

CSSR AID--Vientiane, 29 Dec (KPL)--Czechoslovak ambassador Jiri Myslivecek informed Acting Minister of Education Bountiem Phitsamay at a meeting here on 27 December of a list of aid to be delivered to the Lao side early next year. The aid worth 800,000 Koruna (Czechoslovak currency) comprises manuals and education materials for senior high schools. [Text] [Vientiane KPL NEWS BULLETIN in English 29 Dec 86 p 2] /9274

CSO; 4200/361

TALKS HELD WITH UN ON CLOSING SRV REFUGEE CAMP

BK240739 Kuala Lumpur International Service in English 0600 GMT 24 Feb 87

[Text] The government is considering closing down the Pulau Bidong illegal immigrant center. Discussions are now being held between the (?various) ministries and government agencies with the United Nations High Commission for Refugees, UNHCR. The deputy minister for foreign affairs, Datuk Kadir Sheikh Fadzir, told newsmen in Kuala Lumpur this morning that if everything goes right, the center may be closed down before the end of the year. This will make it difficult for the Vietnamese boat people to come to Malaysia.

Earlier, Datuk Kadir held discussions with the delegation from UNHCR led by its director, Mr Ghassam Arnout. Datuk Kadir said that it is time for Vietnam to seriously consider ways and means of stopping the outflow of its nationals. It should adhere to the agreed code of an orderly departure program. Datuk Kadir explained that Malaysia and the neighboring countries have been shouldering the burden far too long and should be stopped. In this respect, the Vietnamese ambassador will be summoned to the Foreign Ministry to urge Vietnam to cooperate in this matter.

Earlier, the UNHCR delegation held discussions with the minister of foreign affairs, Datuk Rais Yatim. Datuk Rais later told newsmen that by the end of the year, the number of Vietnamese illegal immigrants will be reduced to about 4,000 people from the present 9,150 people. About 600 illegal immigrants will be leaving for third countries in 3 months' time. Datuk Rais also said that Malaysia will table a paper at the next meeting of the ASEAN foreign ministers in Singapore this June on the matter. Bilateral discussions will also be held with the Thai Government when Datuk Rais visits Thailand on the 2d of next month. Similar representations will also be made to Indonesia.

On the 15,000 Filipino illegal immigrants and refugees in Sabah, Datuk Rais said that a study of their effect on the social and political climate in the state is being conducted. If necessary, action will be taken. Datuk Rais also said that 12 Iranian refugees are now in Malaysia seeking asylum. The government is processing their onward journey to a third country. All Malaysian foreign missions have been alerted not to accept any more Iranians fleeing the Iran-Iraq war.

/7358

CSO: 4200/355

FORMER BANK DIRECTOR ON BANKING LOSSES

BK200957 Kuala Lumpur NEW STRAITS TIMES in English 19 Feb 87 p 3

[Text] Kuala Lumpur, Wednesday--The former director of Perwira Habib Bank Malaysia Berhad (Perwira), Raja Tan Sri Khalid Raja Harun, today denied that he was the mastermind who siphoned off 600 million ringgit from the bank. He said the figure was put forward by interrogating officers when he was in detention under the Internal Security Act (ISA). He said he had a strong suspicion that there was no documentary evidence to indicate that the 600 million ringgit was siphoned off by a mastermind. "It is hard for me to believe that such a sum has been lost without actually seeing the final account of Perwira Habib Bank for 1984 and 1985."

However, he said that after going through the bank documents produced by the police, it was clear that at least 140 million ringgit had been siphoned off from the bank. He said the figure could be doubled or trebled after a full investigation was made. He said he was prepared to help the authorities find out the full details of the losses incurred by Perwira.

Raja Khalid, who was released on Feb 12 after 30 days in detention, said at a press conference at his office in Sentul Pasar this afternoon that some of the people responsible for the siphoning off the 140 million ringgit were still working in the bank. He said bank employees, "right down to branch managers," had approved loans worth millions of ringgit without proper processing, security, or checks on the net worth of guarantors. He refused to say if some of the borrowers were politicians.

Raja Khalid said the bank had three committees--Exco, A and B--to process loans. Committee B had the authority to grant loans up to 500,000 ringgit, A up to 2 million and the Exco, of which Raja Khalid was a member, above \$2 million. He said most of the 140 million ringgit are given out as loans by Committee A, several by Committee B and none by the Exco. He said Committee A was chaired by the executive director and two general managers in charge of loans and treasury while Committee B was headed by the general manager of the credit department, his manager and a foreign exchange department official.

Raja Khalid said he first became aware of the problems in the bank when it received a letter from Bank Negara [Central Bank] in March 1985 after an

inspection team had gone through Perwira's records towards the end of the previous year. He said the letter mentioned "certain issues" and the bank immediately took action against four employees, including sacking three of them, for misuse of power.

On his company, Malaysian Commercial Services (MCS), which acted as business consultants for applicants applying for loans from Perwira, he said there was no conflict of interest. "My interest was declared," he said. During his tenure at the bank, he said MCS facilitated about 150 loan applications of between 500,000 and 10 million ringgit. Some of these applications were rejected. Although he said MCS only forwarded bankable applications to Perwira, he admitted that some of the loans could have gone "sour or bad" because of the current economic situation. Raja Khalid said branch managers and credit department officials were to be blamed for some of the loans that had gone bad. He said certain branch managers released the total loan to borrowers although the money was supposed to have been released in stages while the credit department just accepted the MCS recommendations. "They should have double checked," he said.

On why the credit department officials were retained if they were inexperienced or not in their job, Raja Khalid said this was because Perwira was prevented from "pinching" staff from other banks. He said it took up to 10 years of practical training before an employee could be considered "medium level" and up to 20 years to be considered good.

Raja Khalid said the bank's problems started after the Pakistani management left in 1982. He said the Pakistanis had a management agreement with the bank but Bank Negara advised Perwira in 1982 that locals were capable of running the bank. He said the bank made profits from 1975 till 1983, but started making losses in 1984. Raja Khalid also criticized the present board for not doing anything about the state of affairs in the bank.

He said in a prepared statement that the bank's losses could have been due to other factors, such as:

Loss of public confidence in early 1985, resulting in the withdrawal of 400 million ringgit fixed deposits within three to four months and withdrawal of savings,

Economic downtrend, disabling borrowers,

New accounting system imposed by Bank Negara whereby certain portions of bad debts were regarded as not receivable, increase in percentage for provision for doubtful debts and rate of provision for bad debts, and,

Economic instability resulting in reduced value of shares and land posted as securities and as such the bank was unable to recover loans in full.

/7358

CSO: 4200/355

## BRIEFS

NEW RAW MATERIALS MARKETS EYED--Keluang, 6 Feb--Malaysia should establish relations with all countries in the world so as to create a demand for the country's primary commodities, Foreign Minister, Datuk Rais Yatim said today. "We should make friends with all countries so that we can find markets for our raw materials" he said when closing a civics course organized by the Community Development Department and the Johore state United Cooperative Movement here. He reiterated that Malaysia should continue to cherish the existing solidarity and goodwill spirit established with other countries. Datuk Rais also urged the people of Malaysia to give priority to the problem of national economic recovery, instead of other matters. He said, the Foreign Ministry is intensifying efforts to introduce Malaysia overseas through its embassies so as to encourage foreign investors to come to this country. He reminded the people that to ensure the success of the Foreign Ministry's efforts, they should avoid conflict among themselves as it would have a negative impact on the country's investment climate. [Excerpt] [Kuala Lumpur UTUSAN MALAYSIA in Malay 7 Feb 87 p 2 BK] /7358

SUBPOENA FOR TURKISH ENVOY ORDERED--Kuala Lumpur, Feb 19 (BERNAMA)--The High Court here Thursday ordered that a subpoena be issued on the Turkish Embassy's first secretary Tarik Yelvac, compelling him to attend an extradition inquiry in the magistrate's court. If Yelvac failed to attend court on the date specified in the subpoena, a warrant of arrest would be issued against him, Justice Dr Zakaria Yatim ruled. The judge said Yelvac was required to appear in court to authenticate documents relating to the extradition inquiry. He made the order following an application by lawyer Karpal Singh who wanted the court to determine whether the magistrate's court was right when it ruled last month, that it could not issue a warrant of arrest against Yelvac. Karpal Singh had asked for the warrant of arrest to be issued against Yelvac when he failed to turn up in court for the continued hearing involving Turk Orhan Olmez who is wanted by the Turkish Government. [Excerpt] [Kuala Lumpur BERNAMA in English 1042 GMT 19 Feb 87 BK] /7358

UK DENIAL OF CRITICISM--Kuala Lumpur, Feb 20 (OANA-BERNAMA)--The British Government has not made any criticism of the governments of either Malaysia or Bangladesh on the matter of Tamils seeking asylum in the United Kingdom, a British High Commission statement here says. The statement issued Friday is in response to press reports that the British Government had accused Malaysia of helping bogus refugees seek entry into that country by issuing them



with false travel documents. The statement says: "The British press is free to express whatever opinions it wishes but its opinions on this issue, and any others, must not be taken as a reflection of the British Government's policy or intentions." It adds, however, that British ministers have condemned the racketeers, wherever they may operate, who seek to exploit the people for profit by promising entry to the United Kingdom on a patently unsupportable basis. Foreign Minister Rais Yatim had said yesterday he had ordered an investigation after being informed by the Malaysian High Commission in London that the British Government had accused Malaysia of helping bogus Tamil refugees from Sri Lanka by issuing them with false travel documents. Meanwhile, the police and immigration department here are still awaiting an official report from the relevant authorities regarding the matter. An Immigration Department spokesman said the department would investigate the allegations reportedly made by the British Government. [Text] [Kuala Lumpur BERNAMA in English 1244 GMT 20 Feb 87 BK] /7358

USNO LEADER DIES--USNO [United Sabah National Organization] Secretary General Datuk Abdul Hamid Tun Datu Mustapha passed away in Kota Kinabalu early today. He was admitted to the Queen Elizabeth Hospital in the capital of Sabah State on Wednesday [18 Feb] following a heart attack. Datu Badul Hamid, 44, was state assemblyman for Usukan and member of Parliament for Limbawang constituency. USNO is a Sabah-based political party and it is also a member of the ruling coalition government of National Front in Malaysia. [Text] [Kuala Lumpur International Service in English 0600 GMT 21 Feb 87 BK] /7358

TIN SUPPLY RATIONALIZATION SCHEME--The Association of Tin-Producing Countries, ATPC, has agreed to adopt and implement a supply rationalization scheme for tin in the form of export control. The scheme takes effect tomorrow. The minister of primary industries, Datuk Dr Lim Keng Yaik, said in his statement issued in Kuala Lumpur today that the scheme will initially be implemented for a period of 366 days ending on 29 February next year. Under the scheme, the permissible export tonnage of the commodity has been fixed at 96,000 [metric] tons. Malaysia has the largest share amounting 28,526 tons followed by Indonesia with 24,516 tons, Thailand with 19,000 tons, and Bolivia and 13,760 tons. Other tin-producing countries like Australia has been apportioned with 7,000 tons, Zaire 1,730 tons, and Nigeria 1,460 tons. The minister said the tonnages do not include the existing stock held by the various countries. [Excerpt] [Kuala Lumpur International Service in English 0800 GMT 28 Feb 87] /8309

CSO: 4200/368

NEGROS FOOD BLOCKADE, SUGAR FUND REPORTED; U.S. 'PLANS' HIT

Manila MR. & MRS (Special Edition) in English 20-26 Feb 87 pp 6. 7

[Article by Bernadro V. Lopez--"Negros: Uncle Sam's New War Laboratory"]

[Text]

**N**EGROS as guinea pig to U.S.-envisioned counter-insurgency plans in the Philippines was ironically exposed by Americans according to a *Malaya* report (Feb. 10). According to the report, three American political analysts revealed the plan — Robin Broad, ex-U.S. Congress official, John Cavanagh, ex-United Nations official, and Chip Fay, Asian director of the London-based Survival International. Their source, they said, was the National Security Council (NSC) itself. Cavanagh stated that the NSC laid out the Negros plan after making "assessments" on the Philippine situation last January, a month before the plebiscite.

The NSC reportedly advised the AFP on the Negros plan on the pretext that the AFP "still lacked the unity, morale, equipment, and level of professionalism". On this basis, the NSC recommend-

ed a stronger U.S. arms aid to the Philippines without asking the Aquino government if it needed or wanted the aid. This blatant bypass of the Aquino government hints of American "foreign policy" trends to talk directly to the AFP, an insult to Aquino and the Filipino people. (That is, if Aquino has no implicit conformity to the whole thing.) Aquino must tell Reagan that the U.S. deal only with her directly and stop clandestine connections with the AFP. The U.S. must not be allowed to offer flowers from the right hand while the left hand stalks Aquino's back with a CIA knife.

The three Americans emphasized the urgency to monitor the movements in the Philippines of CIA counter-insurgency experts from Latin America — Gen. John Singlaub, president of the World Anti-Communist League, Ray Cline, ex-CIA director, and Lt. Gen. Robert

Schweitzer, ex-director of the Inter-American Defense Council. The three are famous for low-intensity-conflict (LIC) counter-insurgency techniques. The LIC concept pits natives against natives, being termed "low" not because it lowers the intensity of conflict but because it lowers direct U.S. involvement.

Negros — land of bounty and misery all at once — exemplifies the exact environment for the rapid ferment of revolution. It is the essential powderkeg that the Americans wish to turn into a war laboratory to cook up counter-insurgency techniques that can be deduced and used all over the country in the next decade of envisioned war. Every sword has two edges, however. Negros as a war lab will also teach the rebels a lesson in modern insurgency techniques. Both insurgents and counter-insurgents will realize the strong and weak

points not only of the enemy but also of themselves. In the end, the exercise simply makes war more efficient and more vicious. In the end, the final conclusion may simply be that war is futile and absurd. But to learn that lesson, hundreds of thousands of Filipinos have to die first in this American-brewed laboratory.

The American is earnest in trying to "save" the Filipino. But to "save" him, the American must kill him. This is the irony — destruction as a means of salvation. American writer Robert Taber in his book *The War of the Flea* explains clearly this same American logic: "We had to destroy the town in order to save it." (This is) the harassed United States Air Force officer's account of the destruction of Ben Tre, a Mekong Delta city of 35,000 ... To destroy in order to save ... Here we have the nub of the matter, the radical contradiction that has opened an abyss under the feet of the world's greatest military power in its incredibly costly war against the ragged guerilla fighters of an inconsequential Southeast Asian state."

There are two recent significant events in Negros which may lead into a dangerous situation of carnage and escalation in the light of the American-planned war laboratory. First is the AFP's move to block food aid for the hungry Negrenses. Truckloads of food aid from

the German Freedom from Hunger campaign received by the Philippine Rural Reconstruction Movement (PRRM) were seized on Feb. 11 in Moises Padilla and Manapla earmarked for 1,000 families in 20 towns. There were two other attempts at food blockade in the past as reported by PRRM, headed by Horacio Morales, an alleged Communist jailed by Marcos, released by Aquino, and who has apparently "laid down his arms" to work for the poor. The military claimed that the food was for rebels. In reality, one can no longer distinguish the people from the rebels because they are intermeshed. If the food aid does reach the rebels, it involves only about three to five per cent of the populace being fed. The military's logic is strange. It

wishes to cut off food from the very populace which will go berserk and turn rebel out of sheer hunger. They are thus fuelling the very insurgency they will later quell. Place this side by side with America's planned war lab and we have the first bloodbath situation.

The second bloodbath situation comes from the President herself. Cory earmarked P487 million on Feb. 12 to bail out the sugar planters regarding Marcos' NASUTRA debts. She said it was a fulfillment of a campaign promise to uplift a "large but poor sector" of Negros. But the planters are hardly "large but poor". They represent the wealthy.

class (few but rich) and the essence of Negros' age-old feudal system. Did Cory do this in the belief that the planters will save the sugar industry and also the workers by giving jobs? In saving the wealthy class, is Cory not virtually abandoning the lower classes? Is it not a matter of priority to service the more urgent physical needs of hungry workers (the best agent for revolution) than the needs of the wealthy planters? ₱487 million can go a long way to finance fertilizer and seeds for the hungry workers and contain revolution. Ironically, in saving the wealthy class (her peers, as she herself represents the sugar baron class at the Cojuangco's Hacienda Luisita), Cory may be enhancing the very revolution she is attempting to dissipate by strengthening an ancient feudal system.

For some political analysts (some of them planters themselves), the sugar crisis is a blessing in disguise in that it gives a chance to dismantle an age-old feudal structure that is the real cause of insurgency. From the rubble of the sugar crisis will hopefully rise a food production and distribution system that will favor the lower classes better without undermining the "comfort" of the planters substantially. Perhaps reverting back to subsistence crops from this unwieldy cash monocrop may be the proper solution to insurgency, by solving the

immediate hunger problem. Such a "reversal" is perhaps a social development more important in Negros than any technological milestone. It must be remembered that the plight of sugar workers in times of boom (1981-82) or crisis (1984) is the same — hunger, malnutrition, and sub-human standards of living, precisely because of the feudal structure.

Also, by giving the planters a chance to make the possible blunder of reverting back to the sugar option through the ₱487 million bail out, Cory may be fuelling the downfall of the planters. For the planters may be thinking that the recent perk up of sugar prices and the revival of the U.S. sugar quota are healthy signs, when actually the whole thing may be a trap brought about by an artificial market created by the generosity of the U.S. in reviving the sugar quota when there is no demand. This may finally trigger a disaster on an even more massive scale. By saving the sugar industry temporarily, Cory (and the U.S.) may be indirectly inviting carnage and war.

There are other events which confirm America's Negros plan. First, Secretary of State George Shultz recently "criticized" the U.S. for failing to deliver aid to the Philippines. Is this a move to pressure the U.S. Congress to give massive military aid?

Secondly, Singlaub was recently reported to be in

touch with rebel soldiers under Col. Reynaldo Cabauatan who were involved in the last coup attempt. Singlaub, who reputedly helped organize the *Contras* in Nicaragua, may be on the verge of creating another *Contras*-type right-wing guerilla army here. A declassified military document also stated that Singlaub, as head of the U.S. Council for World Freedom, was organizing local anti-Communist groups here. The latest report from the *Philadelphia Inquirer* is that Singlaub is presently bringing in 37 American Vietnam veterans as mercenaries who will train the AFP in "proper" warfare. Fourteen are here and 23 are arriving this week. The AFP denied the report. Singlaub reportedly has an office in Moredel Bldg. in Pasong Tamo (owned by Raymond Moreno of Radionet). (*Malaya* Feb. 17) It seems that Singlaub is hunting for the CIA installed in Indonesia which eventually killed 600,000 suspected Communists and sympathizers in a pogrom, the most massive in Indonesia's history. 3) Like in Vietnam, our counter-insurgency drive will eventually be taken over by the U.S. and we will simply be bystanders to the massacres of our own kind.

Finally, can the Negros plan boomerang? Rebel chief Rodolfo Salas said in the light of Cory's recent declaration of war against the NPA (Was she too quick to change reconciliation into

war because of U.S. pressures?), "Our forces have a broad mass support of the people, disciplined army units, sufficient logistics and combat capability." In spite of Salas' seeming overconfidence, there may be some truth to his boast especially in Negros where massacres such as Escalante and Langoni were the best propaganda for the NPA and where the feudal sugar agribusiness has thrived for centuries. In truth, if insurgency today has evolved into a people's war in Negros, then the Filipino people must get ready for a real bloodbath because, as proven by Vietnam, the only solution to a people's war is genocide. Is Communism a better option than genocide?

Taber's *The War of the Flea*, which the Pentagon has adopted as one of its counter-insurgency textbook, explains, "There is only one means of defeating an insurgent people who will not surrender, and that is extermination. There is only one way to control a territory that harbors resistance, and that is to turn it into a desert . . . What is certain is that the techniques and strategy of the guerilla fighter, waging the war of the flea, have proven their potency in the severest test imaginable (in Vietnam) short of nuclear war, against the military technology of the world's richest and most powerful nation." In this sense, Cory must not permit America's Negros plan in the name of the Filipino people.

not Yamashita treasures but reds. Above all this, the U.S. continuously reaffirms its "support" for Cory and says Singlaub is a "private citizen".

Meanwhile, the Christians for National Liberation (CNL), the Church arm of the outlawed NDF, denounced the mercenary import as an "act of intervention" intended to escalate conflict, leaving it no recourse "but to stand in defense of the people". Similar condemnations came from BAYAN and GABRIELA.

If the U.S. invests heavily in the Negros war lab, several

scenarios are foreseen: 1) We may see the first inter-island coagulation of the rebel movement if the NPAs of Antique, Cebu, and Mindanao attempt to rescue their beleaguered Negrense comrades. This simply means the U.S. is "inadvertently" pushing insurgency to irreversible limits and permitting it to spread like cancer after a bad operation. 2) We may see the eventual downfall of Aquino and the rise of an American-led military junta that will suppress both Communists and nationalists, turning the Filipinos into a bunch of subservient puppets. Death squads will proliferate similar to those

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CSO: 4200/370

EDITORIAL TAGS PENDING ELECTIONS 'CIRCUS'

Quezon City WE FORUM in English 16-22 Feb 87 p 2

[Editorial: "The Circus is Coming"]

[Text]

**W**ell folks, mark your calendar. The circus is coming to town from March 9 onward. We'll have fun, wholesome and unwholesome. Clowns will be aplenty.

They'll either make you laugh or cry.

There'll be a menagerie of oddballs, roundballs, squareballs, etc. to oggle at. For free.

There'll be songs and dances.

And most importantly, money will flow. Cash registers will ring, merrily and merrily on through the day and night.

Says Economic Planning Secretary Solita C. Monsod: Hidden money will be flushed out. And doled out to the public, if we may add.

That's the beauty of the coming circus. The admission will not only be gratis et amore. You'll also get paid for watching it, if you're 18-years old and over.:

So, then, boys and girls. Clap your hands and watch the circus. It will be fun galore. And money-making too.



/13104  
CSO: 4200/370



WE FORUM CRITICIZES AQUINO PLAN TO APPOINT SENATE CANDIDATES

Quezon City WE FORUM in English 16-22 Feb 87 p 3

[News Analysis by Butch Francisco: "Senatorial Aspirants Under the Saya (skirt) of Cory"]

[Text] Politics--a word once dominated by male chauvinists--is starting to lose its machismo character right here in macho country.

It all started when a little gutsy widow in yellow challenged ex-strongman Ferdinand E. Marcos in last year's Presidential race. After her ascendancy in power, anyone who had political ambition started hitching his wagon to her skirt, err, star.

As chief executive, Mrs. Corazon Aquino is often criticized for being too slow when it comes to decision-making. She, however, never fails to pull a surprise or two whenever swift and tough action is deemed necessary, such as in the ouster of former Defense Minister Juan Ponce Enrile and the recent Channel 7 incident.

While it is a fact that she relies heavily on advisers Joker Arroyo and Rene Saguisag, it is also said hers is the final say. Political observers note that underneath the femininely-embroidered frock beats a masculine heart. Advocates of the women's liberation movement never have been happier.

It will even be a greater boost to feminists once this woman, who used to serve coffee to Ninoy's buddies

in politics, starts maneuvering the political career of some 24 senatorial aspirants in the coming May national elections.

The issue of feminism, however, will have to take a backseat here. The real issue should be: Will it be good for the country if these men merely hang on to Cory's skirt just to ensure victory in the coming elections? Should Cory endorse these candidates as her "men"? Or wouldn't it be more appropriate -- and manly -- if these guys were sold on their own individual merits?

It cannot be denied that Cory's name continues to smell like a rose. And anything she touches turns into gold. Who, for instance, was responsible for the overwhelming "yes" victory in the recently-concluded plebiscite but Cory?

Any amateur political observer will say that anyone who runs under Cory's wing is already assured of a seat in the senatorial post -- not through fraud (although that will surely be Marcos' line), but because of the Cory magic over the people. Let us just hope Mrs. Aquino will be able to carefully sift through the candidates and distinguish the junk from the gold. The die-hard Corista may even vote for the dirtiest politico only because he is being endorsed by Tita Cory.

And just how well Tita Cory select her candidates? Will she ask them to parade in swimsuits and take quarter turns to the left and to the right?

The names of the senatorial hopefuls submitted by the political parties supporting Mrs. Aquino are not exactly candidates for cano-

nization. So she'll definitely have a difficult time selecting the right men to endorse in the senatorial race this May.

But once these men are elected to the senatorial post, thanks to Tita Cory's endorsement, they will forever be beholden to her. Utang na loob

[debt patronage]-- a trait so common among Filipinos--

will then rear its ugly head. These senators, just because they were tied to Cory's apronstrings during the campaign period, will become virtual "yes men" of Cory.

Never mind if Cory keeps up with her good behavior. What if -- and God forbid -- she turns out to be worse than Marcos? Given that kind of situation, there may be a big possibility she will. Imagine 24 underlings in the Senate saying nothing but amen to her -- a pack of senators she can order to sit, play dead and roll over.

What then happens to the check and balance in the government? If and when the chief executive goes astray, who would be in the best position to stand up to her but somebody from the Senate? How can a senator do this if he is beholden to Cory? What if Cory suddenly tells him, "How dare you say that when my little Kris even sang for you when you were campaigning?!"

With 24 members of the Senate beholden to Cory, who will advise her against the US military bases here in the Philippines? Who will tell her to be more watchful over the military personnel? And most important of all, who will stop her from allowing daughter Kris to enter the movies?

Somebody should be able to tell on a misdeed committed by the President.

(Remember how everyone looked the other way during Marcos' time?) But who'll tell on her when she has on her beck and call a group of "under the saya men" [henpecked men] (or understanding-- remember the old Tide commercial) who wouldn't dare wash her dirty linen in public because of utang na loob?

If her gang of senators decides to keep mum about her boo-boos and blunders, then another Pinoy trait will surely creep in pakikisania [conformity]. The president will surely be reluctant about calling the attention of erring senators. After all, the little senator saw nothing, heard nothing and said nothing about the President's little mischief. If Mrs. President starts covering up for everybody, then we're back to the good (?) old days of muddy politics--just like what our corrupt congressman lolo used to wallow in.

At the opening of the congressional session at the House of Representatives [as published] Cory will probably open her speech with, "Welcome back, congressmen and senators."

WEEKLY URGES PUBLIC PREPARE EARLY FOR POLLS

Quezon City VERITAS in English 12-18 Feb 87 p 7

[Editorial: "From People Power to Citizen Caucus"]

[Text]

**A**LL too often, our editorials are addressed to government leaders, civilian and military authorities, and other public figures whose positions and offices allow them to formulate as well as implement public policy.

But we recognize that while leadership is a crucial element, progress and development, and more specifically, reform and recovery depend enormously on the people and their political will. Every now and then, we are compelled to address the public directly and to call attention to the need for citizen commitment and citizen action.

It is not now too early to mobilize and organize for the elections. We are referring here not only for the citizens' campaign for honest and clean elections. There is now a need for the kind of political activism that draws citizens into organized efforts to draft their chosen candidates and to support them through the campaign. The cause-oriented groups can begin moving away from the parliament of the streets into the smoke-filled back rooms of Philippine politics.

The goal of these groups should begin with deciding who deserves their support. Some of these potential legislators, governors and mayors are not going to make it through the first screening for the parties' official slates. Because even if the selection process were to be balanced by the requirements for integrity, capability and service to the people, that party selection will have to submit to the test of the viability of the new candidacy.

Certain deserving candidates will be rejected as political unknowns who will

therefore involve a higher risk in the commitment of party funds.

Thus, even now, we have already begun to sense a surfeit of names of old guard politicians or their scions, entertainment celebrities and all sorts of political eunuchs being floated around as candidates but who cannot inspire any hope for undertaking the kinds of programs that will bring about progressive change.

The President can help the process by anointing the candidacies of new political aspirants who would not otherwise gain the approval of the party chiefs and their machineries. But let's face it. The President tends to give in to the pressures of political insiders. Maybe, she needs the people's help.

Time once again for people power. This time in the formation of an invisible presence at work behind the scenes. People power must grow into political action groups which will raise funds, mobilize and manage campaigns through volunteer aide work. There is a whole range of activities necessary to run a campaign.

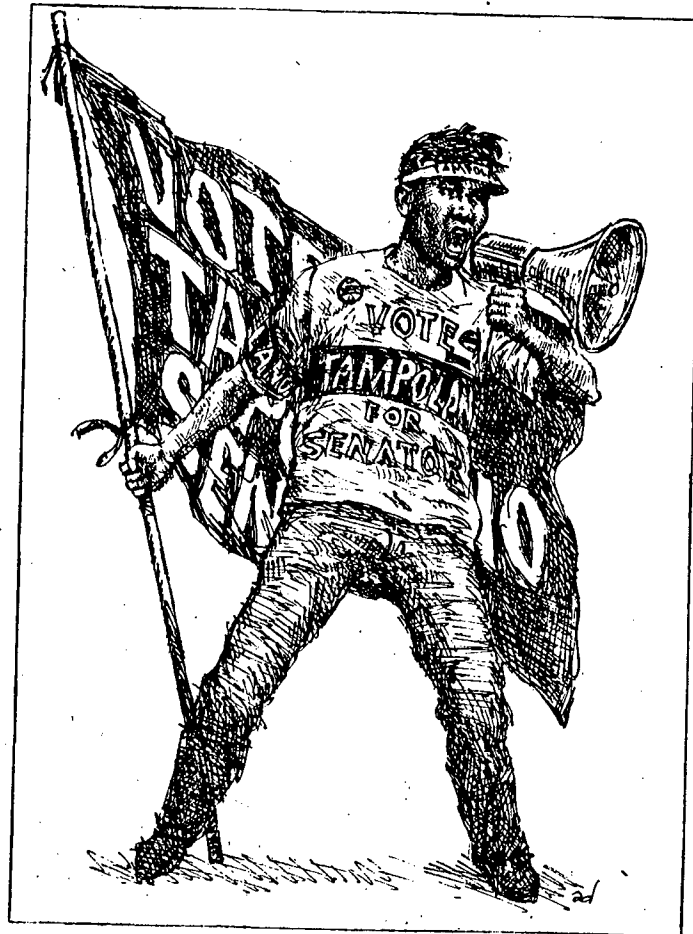
Let us not belittle any small effort that goes into a campaign. These work and in many progressive democracies citizen volunteer services are taken for granted as a necessary element in any campaign. The making and printing of leaflets and information sheets. The answering of telephones. Door to door canvassing. Telephone and letter solicitation. As well as public drives for funds.

In the earlier period, and now is not too early, citizen caucuses should begin to approach party leaders to pressure for the drafting of their chosen candidates. The

bargaining chip: people's resources and their numbers organized to support and see through the candidates' campaign.

New politics will not thrive in the field without a public feeding and nurturing it. It is naive to think that one non-politician at the helm can make it all happen. We need new breed politicians in the Senate, but more especially in the House of Congress, in the governor's offices and in the municipal halls.

It won't happen unless we make it happen. It is up to the people to build on what was gained last February. Only then can we really celebrate the February event as the true birth of people power.



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FR BERNAS ON INTENT OF PC ARTICLE IN CHARTER

Quezon City VERITAS in English 12-18 Feb 87 p 8

["Occasional Reflections" column by Joaquin G. Bernas, S.J.: "The Soldiers No"]

[Text] **T**HERE is a lot of speculation about why the soldiers voted "No" against the Constitution. That is, 40 per cent of the military. One of the possible explanations proffered is that it is a protest against the abolition of the Philippine Constabulary. Moreover, it is suggested that the protest itself is a product of disinformation.

If, indeed, it is a product of disinformation, the protest should be quieted down by a simple statement of the true "information." But it probably is not as simple as that.

The "offending" provision reads thus: *"The State shall establish and maintain one police force; which shall be national in scope and civilian in character, to be administered and controlled by a National Police Commission. The authority of local executives over the police units in their jurisdiction shall be provided by law."*

For starters, let me say that there are a number of points worth noting about the progeny of this provision. First, the provision can trace its origin to Resolution Nos. 174 and 243 authored by Commissioners Ople, Natividad, de los Reyes, and Maambong, who all belonged to the majority party in the defunct Batasan, and to Resolution No. 142 of Commissioner Davide as well as Resolution No. 133 of Commissioner Guingona (I am not quite sure what party or parties they belong to). Second, Commissioner Maambong manifested for the record that the provision carried the endorsement of General Renato de Villa of the Philippine Constabulary and that it

was discussed with the participation of General Ahorro of PC-INP and of Colonels Aguirre, David, and Cruz of the Armed Forces. Third, and perhaps as a consequence of the "inter-disciplinary combination in the first and the second, the provision was approved as reported by the Committee and, *without any amendment* — a rare occurrence in the Constitutional Commission, indeed, as Commissioner Natividad, the principal defender of the provision, was to point out.

On the substantive level it should be pointed out that, while the provision can eventually result in the abolition of the Philippine Constabulary, its inspiration is not the desire to abolish any branch of the military service. Its object is the liberation of the civilian police force from the control of the military. Or, to put it differently, the provision would take away from the Constabulary its police function, a function which is civilian, and leave the Constabulary with its military function, because the Constabulary is military. The provision would thus make the role of the Constabulary consistent with the other constitutional provision which prohibits the military from holding any civilian office.

These are points which were clearly brought out on the floor by Commissioner Natividad. Moreover, since the functions of the Constabulary now are both civilian and military, if the law should decide that the Constabulary must disappear as a unit of the military, Commissioner Natividad pointed out that its personnel would be given the option of either joining the

civilian police force or joining another unit of the armed forces. In either case, there should be no loss of employment -- the fear of which, I suppose, might have been the object of desperate exploitation by the so called "disinformation" campaign.

The fear of loss of employment, if well-founded, is an argument that can have an appeal to the entire Constabulary force. After all, who wants to lose a job in a nation of high unemployment? But, as I said, the rationale behind the provision is, not to reduce the military force and thereby render Constabulary officers jobless, but to free the civilian police from military control. That is the key point. On this, Commissioner Natividad brought out two other significant points: (1) civilian police officers do not blossom because most of the key positions are held by military officers; (2) police forces are of little help in the investigation of human rights of violations because they are under the Constabulary and are sometimes victims themselves of human rights violations.

These probably are points which will not endear Commissioner Natividad to the military and, for that reason, I take my hat off to his forthrightness. And Commissioner de Castro, a retired armed forces general himself, brought out a point more telling still: a military

force and a police force joined together under one military command would pose a more serious threat to civilian government. That, too, will not endear de Castro to the military. But I am not sure that such a prospect will disturb the general's bullheadedness at all.

The conclusion I draw from all this is that, if the provision on the one national police force was a factor in the negative vote of the military vote of the military, there are disturbing implications. The problem could not be merely one of security of tenure. That would be too simple a problem. It could, more importantly, suggest a military unwillingness to accept fully the primacy of civilian authority in our governmental system. Moreover, I might say that this could be a problem not especially of the rank and file but more of those who hold positions of military authority who might feel threatened by civilian authority.

One naturally hopes, for the sake of peace and stability, that this diagnosis is not correct. But, indeed, the matter of civilian supremacy over the military deserves further reflection. Do we or don't we have it? And if we don't, why?

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CSO: 4200/370

BAYAN OFFICIAL ON ELECTION SLATE, STRENGTH

Quezon City VERITAS in English 19-25 Feb 87 p 4

[Article by Gigi S. Oyog]

[Text]

**A**FTER shunning the elections in 1984 and 1986, the Bagong Alyansang Makabayan (BAYAN) is gearing up for the congressional and local elections in May and August respectively. The Party's leaders know fully well the odds against them but are nevertheless confident they cannot lose.

The BAYAN slate for the Senate, likely to contain only six names excluding guest candidates, is yet to be finalized. But BAYAN secretary-general Lean Alejandro says the list may include Customs Commissioner Wigberto "Bobby" Tañada, Constitutional Commissioner Atty. Jose Suarez, Kilusang Magbubukid ng Pilipinas head Jaime Tadeo, and also a member of the 1986 Con-Com, Nelia Sancho, and former Labor Minister Augusto "Bobbie" Sanchez.

Concedes Alejandro, "*Malaki talaga ang problema namin* (We have big problems)." The organization, he says, is not that strong yet. This will also be their first foray into the parliamentary struggle. And they also expect to be the target of disinformation campaigns. They do not even have enough funds, Alejandro adds, not even a fraction of what other groups have.

"But," he claims, "once we get the campaign going, we can place at least four in the Senate."

Participating in the forthcoming elections would entail the use of innovative approaches to campaigning. "If we use traditional methods," Alejandro explains, "we will surely lose. It will be important then to make use of the positive aspects of traditional methods of campaigning and combine these with the dynamics of mass struggles. That is the combination we will introduce."

BAYAN will continue mobilizing for rallies and their house-to-house discussions or "*pulong-bahay*" will go on. Political education is still the main component of their program. Funds, as before, will be raised through solicitations from sympathizers and supporters. "It will be like a mass movement," envisions Alejandro. "But the key there would be to transform this (movement) into votes."

**U**NLIKE in the past when BAYAN refused to participate in the elections during Marcos' time because the regime held all the cards, the elections this year opens to them opportunities too important to miss. For one, Alejandro says, their program would be legitimized. They would also be able to make inroads in areas where they have no significant presence and still keep themselves "apart from the KBL and Cory's

politicians." In this political exercise, Alejandro says, "we're also after political education and the projection of BAYAN."

The single biggest reason BAYAN is participating in the forthcoming elections is that the polls will preoccupy the masses, says Alejandro. "We have to be there to help them articulate their instinctive feelings that basic changes are needed. We have to be there to raise their political education."

Alejandro looks forward: "If our senatorial candidates win, we would have national spokesmen. We are targetting 20 per cent of the Lower House. We also want to get 25 to 30 per cent of the local seats. Besides these, we will go on with the parliament of the streets. With all these, we will cover all the bases."

But if they should fail to place any of their candidates, forcing them to go back to pounding the streets, all would not be lost. On the contrary, if only for having raised the political consciousness of the masses' during the campaign period, Alejandro avers, "*wala talaga kaming talo* (there's no way we could lose)." -- GIGI S. OYOG

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CSO: 4200/370



WEEKLY URGES AQUINO TO APPOINT QUALIFIED CANDIDATES

Quezon City VERITAS in English 19-25 Feb 87 p 7

[Editorial: "Only The Deserving"]

[Text]

**A**S we write this, the senatorial slate for the ruling coalition awaits the Presidential seal of approval.

There is a basic problem in the selection of these candidates. A number of these names have served the Aquino administration as ministers in her Cabinet. Not all of them have proven effective in their positions. And a few may have been found wanting when judged by the highest standards of public service. It is certainly hoped that they are now being fielded to run for Congress because they are seen to possess the qualities that would make them better legislators than executive officers.

But the President should make the decisions with care.

We feel that she yielded to political pressure, paying political debts with a number of her appointments to the Cabinet. The political cost of those decisions is quite significant. Many people have been disenchanted that public officials were chosen

not because of the qualifications and experience necessary for the position, but because the President owed it to them.

Thus, some of these appointments have failed miserably as ministers. Even in the short and brief period of service, a few of them have been tainted by scandal or have been perceived as being overly concerned with the preparation for their campaigns. We cannot see how the President can now ask the people to support them in Congress.

President Aquino should not betray the people's trust by her selection. She will commit precious presidential resources in time and effort to campaign for these candidates. She should do so only for those who are truly deserving.

Those who need to be eased out of the Cabinet because of their failings should not be eased into Congress. They should simply be kept out of government service.

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CSO: 4200/370

EDITORIAL URGES MILITARY TO RESPECT CIVILIAN RIGHTS

Quezon City VERITAS in English 12-18 Feb 87 p 6

[Editorial: "Once Again, Into The Breach"]

[Text] But with care and caution.

When the ceasefire was announced on December 10 last year, the hosannahs hailing the peace were nearly drowned out by the dire warnings about the folly of pursuing peace on the negotiating table.

In that period, however, the ceasefire brought to many communities a calm and quiet which the people had not known for so many years. The hunger for peace, the joys of reconciliation were acknowledged with the first real taste of these blessings. It will take more than the refusal of the NDF to talk peace to turn the people away from the pursuit of peace as an immediate goal and a priority in their lives.

The overwhelming vote for the plebiscite indicated the strong public sense and sentiment favoring the continued cessation of hostilities. But that is only one sign. There are other signals, the initiatives and experiments undertaken by local leaders and by their counterparts on the other side to hold on to the truce and to explore their own paths to lasting peace.

Clearly there is a hard core within the Communist movement who will not be persuaded to accept any political proposal that the government may offer except for tactical reasons. The strategy aims at consolidating their power and expanding their territory.

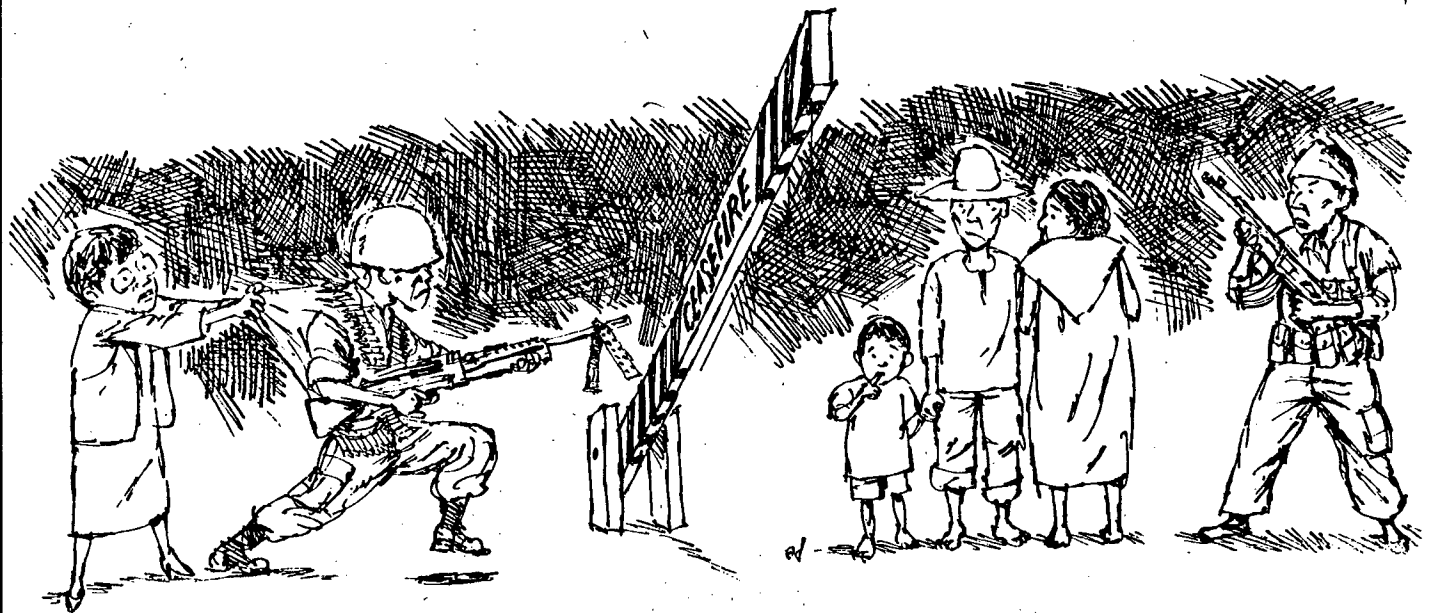
This is the reason why military action is necessary and why the armed forces must be ready for combat when it is called for in the field.

But such action cannot be indiscriminately applied with little or no regard for the civilians who will be caught in the crossfire of battle. In this regard, even military action must submit to the guidance of the civilian perspective and point of view. Its application must be selective and undertaken as a controlled and limited operation.

Such efforts would demonstrate both civilian and military authorities as cognizant of political reality---that the desire for peace embraces the political spectrum and supersedes even the ideological commitment. The response to the military challenge of the insurgents needs to recognize this national hope and yearning for stability and order.

The approach is much more than a mere tactic to divide and rule the enemy. The government has not created artificial divisions. The differences within the Left are evident. The government fails if it does not attempt to accommodate the legitimate aspirations of those who are in disagreement with the hard-core of the movement.

Thus, President Cory must prove that the sensitive unsheathing of the sword, and the careful application of force, need not contradict the impulse for peace and the commitment to seek a just and peaceful solution to the problem of insurgency.



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## CHURCH PAPER SALUTES SOLDIERS SLAIN IN BATTLE

Quezon City VERITAS in English 12-18 Feb 87 p 7

[Editorial: "A Salute to Soldiers Slain in Battle"]

[Text]

**L**ATE last month, the family of the late former student leader Edgar Jopson sponsored the premier showing of a documentary on his life and death. Edjop, who despaired of the reformist path and chose to join the armed struggle, died in 1982 in Mindanao, when he and some comrades were cornered in a residence in a Davao City subdivision.

Towards the documentary's end, Edjop's mother declares that though, as a mother, she is saddened by her son's death, she realizes that he had died for a cause and that she was "offering his death to the country."

Last Friday, newspaper reports say, 70 heavily armed NPA guerrillas attacked and burned an army detachment in Luna, Kalinga-Apayao, killing five soldiers and wounding five others. The attack, evidently well-planned and coordinated, took place barely two days before the formal end of the 60-day ceasefire.

The five dead are: Pfc. Virgilio de la Peña, Pfc. Ferdinand Vergara, Pvt. Richard Antonio, Pvt. Willie Edraira, and Pvt. Jose Apostol. They were all soldiers of the 17th Infantry Battalion.

Their wounded comrades, some of whom were fired upon when they rushed in to reinforce the beleaguered troopers, were listed as: Sgt. Alejandro Claró, Pfc. Sebastian Mallari, Pfc. Oscar Antonio, Pvt. Romeo Fabros, and Pvt. Joseph Tayag.

Somewhere in Kalinga-Apayao, or in some military camp or enlisted men's quarters, there is a father, mother, wife, son or daughter pondering the meaning of a soldier's death. He may have been "just doing a job," carrying out orders "in the line of duty." But the grieving would not be remiss if they were, in their own way, to "offer his death to the country."

When soldiers complain of official neglect, claiming that President Cory and her government seems to value insurgents' lives more than theirs, the knee-jerk reaction of many is to scoff at the wimps, likening them to spoiled brats making a fuss to attract attention.

Yet on thoughtful hindsight, the military's grievance may have some basis in public perception, if not in fact. President Aquino swept to power on the coattails of a libertarian struggle, and much of her rhetoric has been in praise of those who fought and died for democracy, for victims of human rights, many of whom died in the hands of the military. She has surrounded herself with well-known champions of the human rights struggle to challenge the military's might and right to repress.

Though she calls them "my soldiers," they may in fact feel that "Commander-in-Chief" is a title President Cory wears reluctantly; that she does not look on their problems with the same compassion; that she does not feel for the loss of their lives with the same pain and grief.

That same unease in the presence of the military has been shared by many of those who fought the past regime, even if they do not condemn the entire military

establishment -- from Defense Minister Ileto and Gen. Ramos down to the lowliest foot soldier -- as the enemy of the people. The unease has taken the form of an amnesia of sorts, forgetting that the soldier who died in the battlefield, also left loved ones in mourning, and that, certainly he fought for a noble and righteous cause: the defense of his country.

Perhaps the first step towards civilian-military detente should be a recognition of the military man's heroism. Perhaps it should start with our own collective grief at the death of these young men. Perhaps it should find expression in a national call for an end to all this killing, on whatever side.

*Veritas* begins by offering our deepest sympathy to the families and friends of the five men killed last Friday in Kalinga-Apayao. We salute them as soldier heroes, deserving of our honor and our gratitude.

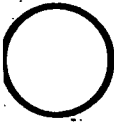
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COLUMNIST PUBLISHES MILITARY COMPLAINTS

Quezon City VERITAS in English 12-18 Feb 87 p 10

["Overview" column by Felix B. Bautista: "A Long, Hard Look at the Military Gripes"]

[Text]

 OUR NATIONAL leadership is quite understandably concerned about the significant "no" votes among military personnel and their families. The votes, estimated at about 40 per cent nationwide, are almost double the national average.

If the concern is translated into immediate action that would eliminate — or at least alleviate — the soldiers' gripes, then perhaps all talk about future coups can be stilled. But if this concern results only in promises that are swiftly made but slowly — or never — fulfilled, then the disenchantment that is felt by so many in the military establishment would intensify.

In an attempt to find out just what the officers and men of the New Armed Forces of the Philippines are thinking, I spent a large part of my time over the past two weeks interviewing many people. I talked to officers and enlisted men, to Philippine Military Academy graduates and to integrees. In the process, I got an earful of their complaints — against the civilian authority, against the military leadership, even against each other.

For instance, the reservists were saying that they were being discriminated against in a lot of ways by the PMA alumni, in promotions, in assignments ("We always get the hardship posts and none of the cushy jobs," one integree told me). The PMA graduates, on the other hand, say that many of the integrees, particularly those who rose above the rank of major under the old dispensation, meaning under the

rule of that No. 1 integree, General Fabian Ver, can be classified as "military deadwood."

But more on this in subsequent installments.

For the present, let us concentrate on what the military gripes against the civilian leadership are.

What the soldiers hate most, and what they are most bitter about, is the perceived reluctance of the members of the Aquino administration to defend them against the unsubstantiated attacks of left-leaning organizations.

"Take the supposed massacre on Mendiola," one colonel in the Philippine Constabulary told me. "Why has no cabinet minister said that the marines were deployed there to protect Malacañang and President Aquino? Why haven't any of these ministers declared that the soldiers were provoked and that they fired in self-defense?"

The colonel, his voice rising, continued: "By their silence, they are giving the impression that the marines are bloodthirsty and trigger-happy soldiers who find extreme pleasure in shooting down civilians. Has anyone stopped to think that those soldiers would not have been there had not the civilian authorities requested their presence there?"

Another officer, who was among those assigned around Channel 7 during the siege there, had a different sort of gripe. "One cabinet minister told us that we should assault the TV station and clear it of all the rebels by daybreak. When we asked

why, he said that daybreak was the best time for it as this coincided with prime time on TV stations on the eastern seaboard of the United States."

"In other words," he added, "this minister was more concerned about the precious image of the government, not with the lives of soldiers which would be lost in case of an assault."

Still another officer, who talked to me only on condition that I do not identify him, admitted that he was involved, if only peripherally, in at least two of the several attempts at a coup. And why?

He spoke with some bitterness and rancor. "On EDSA last February, my men and I were ordered to disperse the civilians massed there. It would have been so easy for us to do so, just a few shots fired in the air and perhaps the lobbing of a few tear gas canisters, and the people would have scattered in all directions.

"But we didn't do it because we believed in what the people were fighting for. We were convinced that the dictator had gone too far, that a new government should take over.

"After President Aquino was installed, and considering the role that we in the AFP played to put her in office, we thought that we would be given a new deal, that there would be meaningful reforms."

Have the reforms been instituted?

"Let us just say that the reforms have been announced in the newspapers," my informant said, "but we have yet to see them implemented."

He explained, citing an example, that about two months ago, the President ordered the restoration of tax-exempt commissary privileges for soldiers and their families. As of this writing, however, despite a reported follow-up order direct from the Guest House, there have been no tax-exempt goods being sold at the various post exchanges nationwide.

The officer cited another example. "Executive Secretary Joker Arroyo in a television show made much of the fact that soldiers wounded in combat can now get reimbursement for their expenses in buying medicines out of their own pockets," he said. "But he did not say that the reimbursement is delayed for months and months. *Aanhin pa ang damo kung patay na ang kabayo?*"

The complaints of the enlisted men, predictably, are economic in nature. The first of these is the extremely low pay. Basic salary, it seems, is an abysmal P360 a month. But, with subsistence and quarters'

allowances, this goes up to almost a thousand pesos.

Of course, if the soldier happens to be assigned in a combat zone, he gets an extra P560 a month for combat pay. The non-commissioned officers we talked to were grateful to the Aquino government for raising the combat pay to its present level, but this, even with the P30 a month they get in clothing allowance (which cannot even pay for a pair of shorts, much less a t-shirt) can hardly bring the pay of a private to P1,500 a month.

The soldiers expressed gratitude to President Aquino for giving them their thirteenth month pay (covering the basic pay only) plus a Christmas bonus of P1,000. The unexpected windfall served to brighten up their holidays, but it didn't go very far.

By contrast, an airman in the United States Air Force gets \$750 a month. Convert that into pesos under the present exchange rate, and you get something like P16,000. A brigadier general in the NAFF makes less than half of that.

Our interviewees said that in fairness to the present administration and to the leadership of the military establishment, many of the anomalies that plagued day-to-day operations in the past are being corrected, but at an excruciatingly slow pace.

Item: Wounded soldiers today get top priority in the use of helicopters for evacuation to a field hospital (if one is available) or to the nearest provincial hospital.

Under the previous dispensation, these helicopters were used for such non-military purposes like transporting cement from Cagayan de Oro to a place in Misamis Oriental where a general was building his residence, or bringing a general's wife to attend a party in Cebu.

Item: Soldiers who in the past saw their 15-day rest and recreation leave being dissipated in a fruitless wait for transport (say from Mindanao to Manila for a longed-for reunion with their families) now are assured of a regular shuttle by a C-130 transport plane of the Philippine Air Force.

Another colonel we spoke to said that he celebrated his tenth wedding anniversary last January. "In all that time," he said, rather ruefully, "I spent maybe a total of one year with my wife and children."

The practice of rotating soldiers from one field assignment in one region to another region may have its advantages, this colonel said, "but it sure messes up a soldier's family life. This no doubt explains

why the leader of the Channel 7 rebel soldiers suddenly saw two women, both claiming to be his wife, surfacing on nationwide television.

"A man leaves his wife behind in Manila because he is going to a combat zone," he said. "Before long, he gets lonely in his new assignment. And you can predict what happens."

If a man finds himself saddled with two or even more families, and considering his low pay, what happens next becomes almost inevitable. He looks for some lucrative sideline to supplement his meager income. Soon, he finds himself involved in jueteng or some such protection racket.

A major facing a charge of having tortured a rebel detainee ventilated the most frequently aired of all the gripes of military personnel. "Because I allegedly beat up a prisoner who had shot one of my men, I have the Presidential Commission on Human Rights after my scalp," he told this writer. "And yet we see this same government turning around and pardoning all rebels even though many of them have committed even worse human rights violations. Is this fair?"

What this major would want done is for the government to extend the same kind of treatment to erring soldiers. He can see some validity in the contention that sol-

diers are expected to enforce the law, not to break it. But he pleads for mitigation, if not outright justification. "Working in a combat zone, away from family and friends, can be very stressful," he said. "Under those conditions, a lot of abuses can be committed. Cannot the PCHR see this?"

So what does he want done? He is endorsing the proposal, first aired by Senator Arturo Tolentino, that the slate be wiped clean and a new start begun by a presidential decree calling for an automatic amnesty for all past offenses, at least in the human rights field.

In all the conversations I had with the military men, one fact stood out: no matter what gripes they presented to me, there was not a single one aimed directly at President Aquino. If they hold her in such high esteem, how come so many soldiers voted "no" in the last plebiscite? Wasn't a yes for the constitution supposed to be a yes for Cory also?

One of the RAMboys said: "Speaking for myself alone, I voted 'no' to express my dissatisfaction over the continuing presence in the Cabinet of at least three ministers whom I perceive to be hostile to the military. If by voting 'no,' I can call the President's attention to the need to get rid of these three, then my vote will not have been wasted."

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CSO: 4200/370



VERITAS HITS FAILURES TO PUBLISH PROBE RESULTS

Quezon City VERITAS in English 19-25 Feb 87 p 7

[Editorial: "The Right To Know--And Now, Lupao"]]

[Text] The official probe is an effective instrument for deflecting critical pressure during a crisis. It assures the people that the government commits its resources to get at the truth. But perhaps President Corazon Aquino has had to use it once too often. Now when she orders an investigation, the people wonder if they will ever hear about the results.

The Manila Hotel putsch on July 6 last year was probed by a committee headed by Minister of Health Alfredo Bengzon. The report was submitted to the President but the public has not learned about its findings.

Minister of Justice Neptali Gonzalez headed Task Force Olalia to investigate the double murders of KMU leader Rolando Olalia and his driver Leonor Alay-ay, whose bodies were found on November 13. The investigation is still on-going.

Soon after his appointment, Defense Minister Rafael Ilete announced he would be conducting an "informal investigation" into the activities of certain members of the Armed Forces who were linked with the God-Save-the Queen-coup-plan. The results have been kept confidential.

The Citizen's Mendiola Commission under former Justice Vicente Abad Santos was tasked to report on the killings of demonstrators in Mendiola last January 22. They have had to ask for an indefinite extension of their original deadline last February 13.

Meanwhile, Chief of Staff General Fidel Ramos approved the creation of four general courts martial to try the military personnel who were involved in the coup operations of January 27 at the Villamor Air Base, Sangley Point Naval Station, Fort Bonifacio and GMA-7 Broadcast station.

Now a military probe has been called to find out what really happened in the Nueva Ecija town of Lupao where 17 civilians were killed. The deaths were

In the past, the Aquino government may have been wary of making full disclosures to the public about certain findings with political implications. The sensitivity was due to questions about the Aquino government's legitimacy. That time is now past. The government must now be ready to make known what is verified as fact and truth by the committees and commissions it has assigned to the task of investigation.

Right now, there are too many questions left unanswered. Doubts will continue to lurk in the public mind about the government's ability and willingness to get at the truth and reveal it, no matter who gets hurt.

The credibility of these probes will become an issue if they are allowed to take too long or if the government fails to honor and observe the public's right to know.

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CSO: 4200/370

AFP OFFICERS SUGGEST BRIBABILITY BEHIND COUP PROSPECTS

Quezon City VERITAS in English 19-25 Feb 87 p 10

["Overview" column by Felix B. Bautista: "Cory and the Military"]

[Text]

**B**Y VOTING "NO" in such large numbers during the February 2 plebiscite, the officers and men of the Armed Forces of the Philippines sent a message, loud and clear, to the Aquino government: unless you extend better treatment to us, we will continue staging more coups until you are toppled.

By voting overwhelmingly for the ratification of the constitution, however, the people of the Philippines sent the military a message that rang even more loudly and clearly: we are solidly behind President Aquino, and no coup you mount will ever succeed because it will not get popular support.

Even after the rebel soldiers who took over Channel 7 had been taken into custody, the general feeling among the military was that there would be more military attempts to destabilize the Cory government. But that feeling rapidly dissipated as the reports of the landslide win for the "yes" votes started pouring in.

A leader of the Reform-the-AFP Movement (RAM) told me: "After the Channel 7 episode and before the plebiscite, there was an 80-85 per cent chance of more coup attempts being made. But after the plebiscite count was completed, my assessment went down to 10 or 15 per cent."

What was the logic behind his thinking?

His explanation was simplicity itself. The success of any coup d'etat, he said, should be gauged not by how easily or efficiently the plotters overthrow the existing

government, but by how long they can hold power after the coup.

In short, a coup is heavily dependent on public support. Without that support, it is bound to fail. "President Aquino," he told me ruefully, "is much too popular. For as long as she retains that popularity, she cannot be dislodged and all coup plotters would just be banging their heads against an immovable wall."

Is he saying that the Aquino government can now relax, that all further attempts at destabilization have been suspended as exercises in futility?

"By no means," the RAMboy told us emphatically. "What I am saying is that the Aquino government must redouble its efforts to get rid of the resentments that are festering in the Armed Forces."

And these resentments, he pointed out, are the result of a widely held perception in the military that the government does not really care about them, that it has no intention of getting rid of the handful of cabinet members who are incurably anti-military, and that it is only too willing to make the soldiers the scapegoats whenever such terrible events as the Mendiola massacre take place.

But who are these cabinet members whom you dislike so much?

The RAMboy would not name names. "You know them as well as I do," he said. "They are the human rights lawyers who, from the beginning, have shown a marked dislike for the military, who have been making snide remarks like 'the government

is in control of the military, but is the military in control of the military?'"

Since this remark has been widely attributed rightly or wrongly, to Executive Secretary Joker Arroyo, I said: "Surely you must know that Mr. Arroyo has changed his tune. After the alleged Lupao massacre, he confined himself to saying that it was a serious matter but that he didn't want to be judgmental about it."

"That's why I say the chances for further coups have been substantially reduced," he declared. "Maybe the government's attitude towards the military is changing for the better."

It was on this positive note that my interview with this particular RAMboy ended. Even in subsequent interviews with other officers, it was apparent that they were willing to give the Aquino government more time to institute reforms, not just in its attitude towards the military, but also in such visceral matters like salary scales, medical and hospitalization benefits and housing.

While they were unanimous in saying that reforms in these areas were urgent and imperative, they also realized that the government is strapped for funds and no immediate upward revisions may soon be forthcoming. But they are willing to wait. So long as they are convinced that government employees in the civilian sector are not being favored at the expense of the military, they will not complain.

But a colonel who is active in the Guardians, that loose organization that now includes even civilians, an organization from whose ranks many of the arrested coup participants have been recruited, issued a word of warning.

He said that many of the rebels in the Channel 7 siege were mercenaries, that they were paid sums ranging from P10,000 to P150,000 to take over the television station. The amounts proved irresistible because the soldiers have so little, he said. Their pay is abysmally low.

Just how low?

He cited concrete figures. A colonel -- and it must be remembered that those who led the Channel 7 and Villamor Airbase raids were colonels -- gets a base pay of P3,274, longevity pay of P1,637, quarters allowance of P600, subsistence allowance of P360, living allowance of P300, combat pay of P240 and hazardous duty pay of P605, or a total of P7,016 a month.

A master sergeant, on the other hand -- and he would be the highest ranking among all enlisted personnel, gets P700 in base

pay, P350 in longevity pay, P250 in quarters allowance, P360 in subsistence allowance, P500 in living allowance, P30 in clothing allowance, P240 in combat pay, P143 in hazardous duty pay, plus P67 for duty in particularly hazardous areas, or a total of P2,640 a month.

When it is remembered that, in return for this pay, a soldier is expected to risk his life in fighting the insurgents and in maintaining internal and external peace, then the remuneration looks piddling, indeed.

If a man is making P2,640 a month and he is offered P10,000 to take part in an operation where there is little risk, can he be blamed for accepting?

There is little risk because, among the officers and men of the AFP, it is widely known and believed that military men are extremely reluctant, if not actively averse, to fire on their brothers-in-arms.

This was proven conclusively during the EDSA revolution. While many civilians attributed the bloodlessness of the four fateful days to a miracle, astute observers of the military see a more mundane explanation. The soldiers did not shoot at the civilians because, after the civilians were dispersed, they would then have had to shoot at the soldiers holed up in Camps Crame and Aguinaldo. They viewed that prospect with considerable distaste.

A captain in command of a mortar company explained it to me thus: "When I disobeyed the order to lob mortar shells on Aguinaldo and Crame, I explained that I did not want to hurt civilians. Actually, a mortar shell can be directed with pinpoint accuracy, and there was little danger of hitting the massed crowds on EDSA. But the thought of firing on my friends inside the camp turned me off."

This perhaps could also be the explanation why the helicopter gunships dispatched to attack the encampments just landed and did not fire on the rebels. And couldn't this have been the reason why, during the Channel 7 siege, when the rebels refused to surrender despite a deadline given them, some 70 Philippine Military Academy graduates went to General Fidel V. Ramos and pleaded with him to desist from attacking the rebels? And wasn't this why Ramos, in defiance of President Aquino's order to storm the television station, explored other avenues to effect the men's surrender?

This is not to say, however, that the PMA officers want their fellow-alumnus and his men to go scot-free despite what they call his "adventurism." Not one of the officers I interviewed wanted lenient

treatment for Col. Oscar Canlas and his men. All of them, actually, want President Aquino to throw the book at them.

They want the coup plotters punished — if they are found guilty, that is — but they want it after due process, not after a fire-fight with their comrades-in-arms.

Paradoxically, the reluctance of soldiers to tangle with others of their kind could explain why the danger of a coup persists despite President Aquino's incredible popularity. There is evidence to show that a lot of money is still being dangled before soldiers to persuade them to involve themselves in destabilization efforts. No one knows for certain where all this money is coming from — Makiki Heights? San Francisco? the Waray area? — but there is no doubt at all that the money is in substantial amounts and the underpaid soldiers are extremely vulnerable.

That is why the 15 per cent risk of a coup remains. But my interviewees were agreed that should such a coup attempt be staged, it would take the relatively harmless form of taking over a communications facility like a TV tower or a radar installation, more as an act of defiance than anything else.

Certainly, such an action would not topple the Aquino government. All it

would do would be to generate headlines all over the world, headlines that would discourage foreign investors and tourists from coming in and, consequently, delay the return of normalcy and snag the process of economic recovery.

Is there any way of completely eliminating the threat of a coup? The officers I talked to had no ready answer for that one. One of them, however, ventured this opinion:

"The military perception is that the levers of power in Malacañang are being pulled by human rights lawyers. And these lawyers have proven definitely hostile to the military. So long as these lawyers remain there, the perception will stay that the present administration does not really care about what we in the AFP think.

"Thus, the undercurrent of suspicion and mistrust will stay. And so long as that undercurrent is there, then the resentments, as manifested by the "no" votes of the soldiers during the plebiscite, will remain a thorn in the side of President Aquino.

"We have nothing against her, we know her to be sincere in her dealings with us. But are the people around her sincere?"

Next week: Possible solutions to the problem.

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CSO: 4200/370

CITIZENS BLAME MILITARY IN LUPAO INCIDENT

Priest Blames Aquino

Quezon City VERITAS in English 19-25 Feb 87 p 30

[Excerpt]

ONE scene summed up the tragedy of Barrio Namulandayan, Lupao, Nueva Ecija, where 17 men, women and children were killed allegedly by government troops last February 10.

In the ashes of a hut allegedly razed to the ground by soldiers, a plow leaned against a charred post, where a farmer had left it the night before the killing. The plow was now blackened and useless, its wooden handle burned away.

Five days after the grim incident, it was still as a graveyard around the hill.

The plow seemed a symbol of the harsh consequences of the government's decision to resume the war against the New People's Army (NPA), when the 60-day ceasefire ended February 8.

It may be an omen too, of what a brutal anti-insurgency war will cost the country in terms of lives, property, reforms, including land reform, and perhaps freedom itself.

For President Corazon Aquino it was a grim lesson in the savagery of civil war.

Sacred Heart Missioner Father Martin Winnips, parish priest of Lupao, told *Veritas* February 15, he believed President Aquino was partly responsible for the killing since she told the army to go after the rebels.

Said he: "She told the army to observe the human rights of the civilians, but the army seems to have thought they were free to do whatever they wanted to do just as in the old days.

"The people killed were all residents of the barrio," he said. "There were no NPAs killed. I know these people. I say Mass there and hear confessions. I buried the charred bodies of two little girls yesterday.

We had to put the two little bodies in one coffin, since we had no other coffins. It was terrible. The people are terrified. They've lost faith in everyone, even in the Church, I fear. It was a massacre and Cory must share the guilt."

One veteran diplomat said: "Mrs. Aquino is lucky to have this happen now at the beginning of the war when she is extremely popular. She has time to learn from her mistakes."

In Sitio Padlao, Barrio Namulandayan some 200 people lived in four clusters of houses about 50-100 meters away from each other.

Survivors still in the barrio and those at friends' homes closer to the town proper said 20 soldiers led by Lt. Edgar Dizon arrived in the barrio at 6:45 a.m.

A woman said she noticed them walk quietly through the cluster of homes, where she lived, and head for another group of houses atop a small hill, about 100 meters away.

Halfway the hill, by a stream and a small bridge, shots rang out - one, two, and then full automatic fire. The residents fled.

When the shooting stopped, the soldiers told the people to come back to their homes. The lieutenant was dead. A group of men, women, and youngsters were lined up in front of one cluster of homes. They were accused of being NPA, kicked and shot to death, survivors said.

The homes on the hill were burned. Later the charred bodies of two young girls were found in the ashes. Other people were killed near their homes or at the edge of the fields. Ludovico Acosta, whose father, mother and two brothers, aged 23 and 13, were killed, held his baby son and said he

wanted justice for his dead relatives. He said they weren't communists, nor rebels. "We are just poor farmers," he said. He wore a white headband, the Ilocano sign of mourning.

He says he's angry at all men who carry guns.

The survivors say they are tenant farmers, leaseholders.

There were NPA cadres in the village, residents admitted. One woman when asked if the NPA was there, simply said: "The night before, I heard the dogs barking," a sign that strangers were in the barrio.

Observers say the NPA must accept some responsibility for what happened.

They should not have engaged the soldiers within the barrio since they ought to have known from past experience that soldiers would take out their frustrations on the civilians, they say.

Father Winnips says the people of the barrio pay taxes to the NPA because "they are forced" but they're not rebels. "They're the poorest barrio folks around. The barrio leader told me the people have only one meal a day."

A woman, whose brother was wounded said, "I'm too scared now to be angry at anyone. Maybe later I'll be angry." She was gathering her things. A tricycle was revving its engine ready to take her to town.

An older man, when asked if he was angry, said: "Who will I be angry with?"

### Further Witnesses Allegations

Quezon City VERITAS in English 19-25 Feb 87 p 31

[Excerpt] Subsequent visits by reporters to sitio Padlaw revealed an even gristlier tale. Residents of the place, including town Mayor George Castañeda, alleged that 18 civilians were killed in the massacre that the military had earlier filed away as just another encounter with the rebels. Among those killed were six children and a couple in their 80s.

Supporting Castañeda's allegations was Fr. Rudy Abao, the secretary-general of the Central Luzon Alliance of Human Rights Advocates (CLAHRA), who said there were witnesses and evidence to show that the soldiers were responsible for the killings.

In response to the mounting outrage for the killings, the two top military officials simultaneously issued statements. But while chief of staff Gen. Fidel Ramos had decided to assume a neutral stance on the issue, Defense Minister Rafael Ileto saw in the incident a cause for blaming the National Democratic Front.

"It has always been the tactic of the insurgents to hide behind the civilian population and to use innocent people as shields for their subversive activities," he said.

The tactic, he said, could be neutralized if the people cooperated with the government more.

Malacañang also decided to get into the act, and ordered Gen. Ramos to submit a report on the incident. Up to press-time, the report has not been made public. That is, if it was submitted to the President at all when it fell due last Monday, February 16.

Another report, by Nueva Ecija Governor Noli Santos was, however, submitted Tuesday to President Aquino. The report contained evidence of the deaths of at least eight civilians "through the hand of some soldiers."

The nine-point report was based, Santos said, on affidavits taken from nine survivor-witnesses at the Lupao police station.

Based on the evidence he had gathered, Gov. Santos called on the president to order a "fair, speedy and impartial investigation . . . followed by proper action in a judicial body."

According to him, the local government had provided free coffins to the 17 fatalities and free hospitalization and medicine to the injured. He said that P30,000 was released from the provincial government to Lupao.

According to the report, at 7 a.m. Feb. 10, 23 soldiers from the 14th Infantry Battalion led by Lt. Edgardo Dizon based in Barangay Bagong Flores in Lupao, en-

countered 20 members of the NPA during a security patrol in sitio Padlao, Barangay Namulandayan, Lupao.

The report established that the NPA had arrived in the barangay February 2 and stayed with some residents who were too frightened to report their presence.

The clash between the soldiers and the NPA resulted in the death of Lt. Dizon during the first exchange of fire. Dizon was hit in the nape and died on the spot. The encounter lasted two hours, the report continued.

The report stated that three witnesses, Elizalde Orendia, 13, Reynaldo Gante, 16, and Marissa Gante, 7, testified in their affidavits that soldiers gathered some residents including Reynaldo Gante, Donato Gante Sr., 68, and Ador Gante, 5, among others, and "fired at them, resulting in the death of a number of said residents."

According to one witness, Marilyn Carnate, 14, a soldier "hit her father on the side of the body and the chest with a bladed weapon, resulting in his death. She said the incident happened after the clash."

Two witnesses were also included in the report as having seen soldiers set fire on three houses owned by the Gante and Lacasandile families

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VERITAS ANALYZES, COMPARES INSURGENCY TO VIETNAM

Quezon City VERITAS in English 19-25 Feb 87 p 30

["Analysis" Column by Ed C. de Jesus: "Veering Towards Vietnam?"]

[Text] **T**HE parallels between the Philippines and pre-1975 South Vietnam are plain and pertinent: an elitist ruling class, a peasantry impoverished and embittered by the inequitable distribution of land, an insurgency movement gaining strength despite harsh military pressure and government promises of reforms.

It was inevitable, then, that the collapse of peace talks with communist rebels and the resumption of hostilities should recall these parallels. The civilian casualties at Lupao, in particular, have aroused fears that the Philippines may be sliding into the spiral of violence that accompanied the campaign against insurgency in Vietnam.

The first point that must be made to place these parallels in perspective is that the Philippines is not South Vietnam.

Let us not even dwell on the obvious geographical and geopolitical differences. Insurgency in South Vietnam drew vital support from an entrenched communist government on its northern borders and, through, North Vietnam, from both the Soviet Union and the People's Republic of China. No evidence has so far surfaced that the rebels in the Philippines have gained access to any significant sources of outside aid.

The more crucial contrast is that between the character of the Thieu and Aquino governments. Despite massive assistance from the United States, the Thieu government never built a broad social base nor established any political or ideological legitimacy. Whatever doubts may have existed about Aquino's mandate to govern have been buried by the resound-

ing vote of confidence she received in the plebiscite.

Popularity is not enough, but it is not anything to be dismissed or taken for granted. In the case of South Vietnam, its absence was a fatal weakness. Lacking this indispensable ingredient, the Saigon government's use of state power against dissenters could only be regarded by the people who sheltered them as an act of repression to be actively or passively resisted.

The Aquino government, because it is a popular government, does not need to use the counterinsurgency techniques applied in Vietnam. The Filipino people are not the enemy.

A second point bears emphasis. While comparisons with South Vietnam should not provoke panic, neither do they encourage complacency. It is good to be reminded that the Philippines could conceivably go the way of Vietnam.

Conditions in the Philippines have not yet ripened to the point of an imminent popular revolution. But the communist movement has grown in the last two decades in numbers, organizational strength and cohesion. It now has an organization ready to exacerbate the tensions and contradictions within the society so as to accelerate the advent of the revolution.

The movement in the Philippines, however, has not yet attained the maturity nor demonstrated the resilience of its Vietnamese counterpart.

By the time the Vietnamese communist party took on the Americans, it had already spent 30 years fighting the French, the Japanese and French and American

puppet regimes. Protracted war under exceptionally adverse conditions taught the party to respect the sensitivities of the people. With its boycott stance in the 1986 elections and its rejection of the Aquino constitution, the radical Left in the Philippines has seemed out of synch with the public pulse.

More important, the movement has so far failed to produce a leader comparable to Ho Chi Minh. Described by Khrushchev as a "holy apostle" of the revolution, Ho demonstrated a dedication and a revolutionary asceticism that contrasted sharply with the corrupt and self-serving bureaucrats and politicians in Saigon. Ho placed at the service of the Vietnamese revolution both organizational skills and charisma.

The problem faced by the Left and, for that matter, by the Right in the Philippines is that in the contest for popular support Cory Aquino has captured the high moral ground. No one in the political scene comes close to the kind of moral leadership that Cory Aquino has gained over the people. This is her, and her government's, most precious asset.

But incidents such as the massacre at Lupao diminish that moral ascendancy, and therein lies the danger. Aquino's moral capital is not an infinite resource. Once exhausted, the road to Vietnam becomes more difficult to avoid.

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CSO: 4200/370

VERITAS ARTICLE CONTRADICTS MINDANAO TRUCE EXTENSION REPORT

Quezon City VERITAS in English 19-25 Feb 87 p 32

[Article by Carolyn O. Agruillas: "Peace Dialogue? What Peace Dialogue?"]

[Text] **H**OPES that a regional ceasefire would prosper in Mindanao have dimmed following the "resounding rejection" by the National Democratic Front (NDF) of the Aquino government's post-nationwide ceasefire proposal.

In a press conference somewhere in Agusan last February 5 to 12, the NDF Mindanao said it "will never allow the government to divide and rule the organization of the National Democratic Front."

Ka Elias, newly-elected chairman of the NDF Mindanao provisional council said: "By sanctimoniously working for regional level talks with local revolutionary forces, the Aquino government only serves to abuse and twist the sincerity of the NDF in the negotiations and hammer out a wedge between the national peace negotiators and the regional NDF representatives."

The NDF Mindanao announcement doused cold water on government pronouncements that the NDF in Northeastern Mindanao has agreed to a regional ceasefire. "A regional ceasefire cannot be negotiated," Ka Charo, Ka Oris and Ka Migo (Fr. Frank Navarro) NDF representatives to the Ceasefire Committee in Region X said.

The probability that a regional ceasefire could be negotiated in Region X was announced by government immediately at the end of the 60-day ceasefire February 8.

The government announcement, it would seem, was largely based on a petition for extension of the truce and the peace talks, addressed to President Aquino and signed by the NDF, the military, the bishops and religious and civic sectors in

Region X during the peace summit last January 10 in Cagayan de Oro.

The position, however, changed when the NDF representatives in the region withdrew from the negotiating table a few days after the Mendiola incident last January 27. "The situation hasn't deteriorated by then," Ka Elias said. Ka Oris said "the premise why we signed is no longer there."

Ka Charo added that when they signed the petition, the military was hesitant to do the same. "When we signed that, we had submitted two resolutions: that we support the agenda of the NDF as forwarded by Zumel, Ocampo and Malay, and we also forwarded our local demands. As for the resolution to support our negotiators in the national level, there is nothing to support now. We did not turn our backs essentially from what we professed to the people that we work for peace. But now, not anymore in the negotiating table. Government is trying to hammer out a wedge within our ranks."

Government, on the other hand, insists it is the NDF which has displayed insincerity by now turning their backs against the January 10 petition for extension.

When the petition was forwarded to President Aquino, the President or her advisers reportedly failed to issue a reply.

Meanwhile, a provincial government official belied newspaper reports which said that one Wilfredo Mapano, purportedly a rebel leader in Northern Mindanao, has come out of hiding to confer with local officials on a possible ceasefire extension in the region.

Misamis Oriental Gov. Vicente Emano, in a long-distance telephone interview with

*Veritas*, said there is no ongoing dialogue for a regional ceasefire in the region.

Emano said that several days after the expiration of the nationwide ceasefire, he talked with Mapano, the "top man" in the region, who, Emano said, was "open to negotiations anytime subject only to the guidelines of their control committee."

The suspension of the talks, Emano said, "does not necessarily mean it is permanently suspended," but chances that the NDF representatives in the region will go back to the negotiating table "would depend on what will happen around the country. If an all-out war is waged, it may be very hard to bring them back to the negotiating table."

The NDF representatives in Region 10 were Fr. Frank Navarro, Jorge Madlos (Ka Oris), and Nido Nabong (Ka Charo).

Brig. Gen. Mariano Adalem, Regional Unified Command (RUC) 10 chief, was out of town when *Veritas* phoned.

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CSO: 4200/370

VERITAS REPORTS DAVAO NPA RETURNEES PROGRAM

Quezon City VERITAS in English 12-18 Feb 87 p 8

["The Human Factor column by Melinda Quintos-de Jesus: "A Quiet Quest for Peace"]

[Text] *"We were here before the ceasefire. We are working during the ceasefire. We will be here long after the ceasefire."*

I HAVE always felt that the collapse of the national peace talks need not close all the doors and windows to peace. And I am now taking such comfort in the recollection of my visit earlier this month to the Gambalay sa Pagkauli or the Center for Amnesty and Reconciliation. The small complex stands on a three hectare farm planted to ramie. It is the heart of a brave effort for peace in Tagum, Davao del Norte.

Tagum. The place had served as a laboratory of war in which both the military and the NPA perfected their special tactics for killing. The liquidation and agaw-arnas of the NPA "sparrows" were said to have been perfected here. And on their part, the military mastered the arts of ham-letting and salvaging.

Today that laboratory is being slowly but determinedly transformed into an experiment for peace.

There are no textbooks and models for the approach of Gambalay although there may be parallels to suggest the pattern of the Phoenix program in Vietnam or the Magsaysay model of counterinsurgency.

But the people who run it from day to day do not even know about these models. They claim that they have been following their instincts.

Of course, these instincts have been sharpened by many years of working with the people and the intuitive spirit that guides Gambalay is reassuringly down-to-

earth with a realism that accepts its limitations.

What they are sure of, however, is that there will be people coming down from the hills. And there must be some one or some way to take care of their needs.

Gambalay was set up very soon after the February revolution, long before ceasefire had any real meaning in Manila. It was launched in April 1986 with task forces representing the church, the military, and the civilian government. Businessman and presidential consultant Chito Ayala provided seed money through a private foundation, the Kauswagan sa Timugang Mindanao. Ayala is generally acknowledged as the moving spirit of the project.

The center director is a former college teacher of English and Psychology. An activist at heart, Virgilia Allyones, was involved with Musad and Bayan, two cause-oriented groups in Davao.

She recounts that the returnees usually tell the parish priest first of their intention to leave the movement.

The first step of re-entry is a tentative and sensitive passage. Phase One begins with military debriefing to find out if they are really NPAs before the church counselors take over. Crucial turning points are the period of reorientation, redirection and value formation.

Some "returnees" never survive Phase I. They are found not to be genuine rebels during tactical interrogation. But there are others who simply cannot overcome their feelings of hostility for the military and their discomfort in their presence. They volunteer to drop out and head back for

the hills. The program commits to their safe conduct back to the field. Allyones acknowledges this fallout from the program as a weakness they have yet to work out.

Phase II covers skills training to prepare the former rebels for their reentry into the mainstream, equipped to earn some kind of living.

Phase III oversees the period of resettlement with job placement or financial grants to enable them to start up their adjustment to society. In this area, the Gambalay has depended on funding from various business corporations. These also assist in finding jobs.

Since April there have been 274 "graduates" of the program. Twenty six of these failed to finish for various reasons.

The average returnee is quite young, in his early twenties with a history of three to four years in the movement. They are generally members of the armed forces contingent. But some of them are non-combatants who worked as financial officers, tax collectors and recruiters. One returnee, however, abandoned the movement after seventeen years when he served in the NPA provincial high command. His reasons were purely personal. He wanted to rejoin his family and his grown children.

There is a tacit agreement that the NPA allows anyone of their members to "go down" for so long as they do not take NPA

property with them. The program task force has also agreed that no torture will be used at any time nor will the returnees be used as "guides." The agreement has not been violated. And the NPA which initially questioned the center now claims that the program helps them, allowing the movement to purify its ranks of those lacking the necessary commitment.

In one of the two model homes, I chatted with a young girl who was in her early twenties although she looked to me much younger, with the gangliness of teen age adolescence. She held a healthy-looking baby, almost a year old. Her first child, the daughter was born in the hills.

"I wanted to become a nurse after finishing high school. But there was not enough money to study. I had nine other brothers and sisters. I joined the NPA because there was really nothing else for me to do and their ideas attracted me. They were good. I met my husband in the movement, and I stayed for four years.

"I left because of the baby and the family I want to have . . . And I still want to become a nurse."

The Gambalay cannot send her to nursing school. But it has given her another beginning with enough peace to think back on old dreams.

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CSO: 4200/370

JAZMINES ANALYSES, CRITICIZES LABOR DECREE

Quezon City WE FORUM in English 16-22 Feb 87 p 9

["Paninindigan" (Make a Stand) column by Alan Jazmines: "Beyond E.O. III"]

[Text]

**T**he ouster of Marcos and the assumption to power of the Aquino government in February this year kindled new hopes for genuine political and economic change. This expectation is especially true among workingmen, since in several of her campaign speeches, specifically the one she delivered in Davao, Mrs. Aquino promised the repeal of repressive laws, the just share in the fruits of labor, and a wider latitude of freedom to organize and strike without fear of reprisals.

President Aquino's speech on Labor Day fanned new hopes among the toiling masses. Although the policies she formulated in May 1, 1986 were not as comprehensive and pro-labor as her campaign promises, her first policy speech on labor supposedly contained her government's dominant policy inclinations. Her first few months in office were indeed marked by such liberal overtures.

However, it took eight months (although her E.O. was antedated) before these

policies and proposed changes were enacted into law. This caused much confusion in labor relations during the interim period. E.O. 111 clarifies some aspects of the policy.

E.O. 111 incorporates the basic changes proclaimed by President Aquino in labor relations. A cursory look at this law shows certain positive points. The apprenticeship agreement between a capitalist and a laborer is more clearly defined with specified limitations. This hopefully could lessen the abuse on the part of the management to continue referring to their employees as apprentices in non-apprenticable industries, thus, effectively lowering the wages due them. The problem with this provision is its implementation especially among the unorganized workers. If the government is serious in its commitment to stop this abuse (apprenticeship), it should require, through law, the compulsory REGULAR visitation on firms, particularly those without a registered union.

E.O. 111 also lowers the

percentage (from 30% to 20%) needed before a union can be registered. This renders the formation of unions easier and encourages the multiplicity of unions in the bargaining unit. On one hand, this condition may prove to be advantageous if it allows workers to find the most credible or effective organization. On the other hand, it may be disadvantageous if it results in the further fragmentation of the labor sector.

The law also allows security guards and government corporation employees to unionize, and removes the mandatory requirement of a cooling-off period for strikes over dismissal of union officers if this threatens the life of the union (union busting). The so-called "unrestricted right" to unionize is not so unrestricted after all. What about civil servants? Should they not be allowed to unionize, too? Civil servant unionism is important especially if we regard their functions as vital. There seems to be no rationale in denying the

more important and vital sectors of society their basic right as workers to unionize. The liberalization in the cooling-off requirement will help widen democratic space for concerted actions, but we must also bear in mind that union-busting takes many forms. Why did the E.O. allow the "no cooling-off" period only where (1) workers are dismissed and (2) the life of the union is threatened. With regard to the first qualification as we have noted above, dismissal of union officers is not the only form of union-busting. Why not relax the cooling-off period further? The second qualification, on the other hand, is very subjective and is open to various

interpretations. It leaves much room for labor disputes.

From our brief survey of the various provisions of E.O. 111, we can safely say that it is, indeed, a step forward. However, it is but a timid step forward. BP 130 and BP 227 generally remain in place, including their onerous terms. BP 227, for example, allows the ingress and egress of materials and non-striking workers and reiterates the authority of the Minister of Labor and Employment to certify a strike "in view of national interest" and move for its injunction. These two onerous terms have been the source of strikes and picket-line violence, particularly

when management and/or the military/police use these provisions to break strikes and pickets "in the interest of law".

If President Aquino is truly to be consistent in essence with her campaign promises and her Labor Day speech, she should outrightly scrap BP 130 and 227, or better still, completely uproot the fascist imposition on the laboring man by suspending the effectivity of the Labor Code, and form a new one consistent with the aspirations of the labor force. In the interim, the Aquino government should revive the Industrial Peace Act (RA 875) which, so far, is still better than all labor laws either before it or after it, including E.O. 111.

/13104

CSO: 4200/370



PHILIPPINES

BRIEFS

GRAFT CHARGES--Former GSIS President Roman Cruz Jr. and GSIS Vice-president Manuel Rodriquez; with graft and corruption; before the Philippine Commission on Good Government. Incumbent GSIS president Feliciano Belmonte Jr., who filed the complaint, said the GSIS lost about P46 million when the two facilitated the sale of CCP bonds to a securities firm in 1983. [Text] [Quezon City VERITAS in English 19-25 Feb 87 p 12] [From the "Cross Roads" column] /13104

RETIRED COMMODORE CHARGED--Retired Commodore Ponciano T. Bautista; with violation of the Anti-Graft and Corrupt Practices Act; February 14; by the New Armed Forces of the Philippines Anti-Graft Board. Bautista is the first senior military officer and highest ranking official to be charged by the anti-graft board. It was reported that Bautista possesses property "manifestly out of proportion to his salary and other lawful sources of income as an AFP officer." [Text] [Quezon City VERITAS in English 19-25 Feb 87 p 12] [From the "Cross Roads" column] /13104

REBEL PRIEST EXPELLED--Father Rustico Tan, a Roman Catholic priest who became a communist guerilla; from the Missionaries of the Sacred Heart (MSC); January 15, in a move widely seen as punishment for joining the rebels. The MSC district supervisor said that Tan's expulsion from the order did not necessarily mean he had been expelled from the priesthood, but it left him with no congregation and no jurisdiction where he could function as a priest. [Text] [Quezon City VERITAS in English 19-25 Feb 87 p 12] [From the "Cross Roads" column] /13104

CSO: 4200/370

## COMMERCE MINISTRY IN RICE DEALS, SCANDAL WITH IRAN NOTED

## European Agreement

Bangkok BANGKOK POST in English 11 Feb 87 p 13

[Text]

DEPUTY Government Spokesman Montri Jenvithayakarn announced after the Cabinet meeting yesterday that the 250,000-ton rice sale to an unnamed Europe-based trading firm was directly made by the Commerce Ministry and not transferred from any major local rice trader.

Mr Montri, assigned to make the clarification by Admiral Sonthi Boonyachai, chairman of the Committee on Rice Policy and Measures, reiterated the following facts:

● A Europe-based trading firm agreed to buy 250,000 tons of 100% second-grade rice from the Commerce Ministry for US\$171 per ton, which was higher than the prices prevailing from the middle of December 1986 to the end of January 1987. The price was also higher than the prices which the Government quoted to many foreign governments but were turned down.

● During negotiations, the firm asked that its identity not be revealed — a normal international practice to

prevent price-undercutting by other firms.

The firm previously asked to exchange only 100,000 tons of rice for 110,000 tons of fertiliser. But after a month of negotiations, no progress had been made, so the Commerce Ministry proposed to sell 250,000 tons of rice for \$171 per ton FOB in cash.

The delivery date has been set between February and May 1987, at not less than 60,000 tons per month.

● This transaction was carried out in accordance with correct internationally accepted procedure and the Commerce Ministry adhered to the following guidelines:

1. The price must be higher than the prevailing world price.

2. The buyer must pay in cash through a letter of credit opened with a respectable bank.

3. The buyer must place a 5% bond through a respectable bank.

4. Each monthly shipment must not be lower than 50,000 tons at the start of the harvesting season in order to release the new rice.

5. The transaction must be in accordance with the Commerce Ministry's regulations.

With this transaction, the ministry was able to push up the local rice price by 40-45 baht per 100-kilogramme sack and paddy price by about 150-200 baht per kwien.

CONCLUDED

Mr Montri said the fact was that the ministry directly concluded the deal which was not transferred from any local exporting firm and that the ministry was not concerned to whom the rice would be resold — an internationally accepted privilege of the buying firm.

He said the transaction brought a loss to the ministry, which must be accepted as the benefit to the farmers far outweighed the loss.

He added that on February 3, the ministry also concluded a deal with another Europe-based firm to sell 150,000 tons of 100% second-grade, 35%, 20% and parboiled rice, to be delivered between February and April,

with the same conditions as the previous sale.

And on February 9, the Ministry made another deal with the Chinese Government to sell 200,000 tons of rice, to be shipped between February and April.

The Chinese Government gave assurance that the rice will be used for local consumption only and thus will not affect other rice markets of Thailand.

## Montri Refuses to Provide Details

Bangkok THE NATION in English 6 Feb 87 pp 17, 19

[Text]

**COMMERCE Minister Montree Pongpanit** yesterday still refused to describe some details of the 250,000-tonne rice deal with Iran on the grounds that it would be a breach of confidentiality, but he confirmed that press disclosures were essentially correct.

The details he did disclose and his admission that the press reports were correct amount to official confirmation that the record-breaking deal will cause the ministry to suffer losses and that among the beneficiaries will be Capital Rice Co Ltd and Hong Yiah Seng Co Ltd. But Montree said these did not matter because in the end farmers would gain.

He was speaking at a 4-hour press conference also attended by three top ministry officials, Permanent Secretary Bajr Israsena, Foreign Trade Director General Oranuj Osatananda, and one of her deputies, Pracha Charutrakulchai.

Trade sources say Capital Rice and Hong Yiah Seng originally agreed to sell all or most of the rice to Iran in December, but as Thai prices rose in January they found they were faced with losses if they bought the rice up to fulfil their commitments.

The deal was then transferred to the ministry with the French broker, Riz et Danrees, which is close to Capital Rice, acting as the intermediary. It is still not clear whether anyone in the ministry was aware of the two Thai exporters' involvement at that stage.

Montree said yesterday that the broker first approached the ministry on January 8. He refused to name the broker but said press reports were correct. At that time the broker offered to sell 100,000 tonnes in a countertrade deal for fertilizer, he said.

He said the broker cited a

meeting in October in Paris with Pol Capt Surat Osathanugrah who was then commerce minister. Surat is said to have offered to sell rice in exchange for fertilizer, but no deal was concluded.

Montree said this time the broker offered to buy the rice at US\$165 per tonne FOB and to sell the fertilizer at US\$142 per tonne CIF.

A series of exchanges followed, he said, until finally towards the end of the month he decided to drop the countertrade conditions and to offer 250,000 tonnes at a price he regarded as higher than the average set by exporters throughout January. He chose \$171 per tonne.

If the broker had rejected the terms then the negotiations would have fallen through, he said. But the broker accepted the terms and he agreed to the deal because it conformed with the Commerce Ministry's three conditions: a suitable price, a cash sale and the buyer placing a bond covering 5 per cent of the value of the deal.

Montree admitted he was curious about the destination of such a large quantity of high grade (100% B) rice since there are only two large eligible markets, the Middle East and Europe. But he had no suspicion that two Thai exporters would be involved. So far he had only seen press reports of the involvement, he said. Montree said he was surprised that the details of the two exporters' orders — 90,000 tonnes for Capital Rice and 160,000 tonnes for Hong Yiah Seng and the \$171 price — fitted the bill.

He stressed that he was unconcerned about any possible ruse the exporters might have used. He was satisfied that he had followed the principles laid down by the seven-member sub-committee of the Rice Policy Committee for handling the 300 million baht budget set aside for the ministry's trading costs.

Even if he knew about the exporters' involvement he would still be unconcerned, he said because even if the exporters benefited and the government suffered some losses, ultimately farmers would gain. He said he believed the country would benefit by at least 1,600 million baht through increases in paddy prices stimulated by continued Commerce Ministry purchases of rice from exporters to take into stocks financed by the deal. This would boost domestic prices, he said.

Montree said he was always ready to clear up doubts, including answering questions from the opposition when parliament reconvenes. He was prepared to face criticism, he said, because he had acted according to principle and the decision had been made without seeking to help anyone in particularly.

If any exporters or brokers wished to buy any of the 400,000 tonnes of 100% B rice the ministry still has in stock, then he would sell by any means so long as the price was above \$175 FOB per tonne, for cash, and with a 5 per cent buyers guarantee under Commerce Ministry conditions. But the whole 400,000 tonnes would have to be shipped out of the country by the end of April, he said.

Montree said there had definitely been no "under-the-table" dealings. The decision had been taken by several people, he said.

Moreover, he said, on Wednesday he had decided to sell 150,000 tonnes of rice to another European broker. This is for a mixture of 100% B, 10% parboiled, and 20% and 35% white rice, he said. The buyer placed a guarantee bond with the ministry for \$1.29 million he said, and delivery would be between now and April.

Even though the ministry's decisions to sell rice this year have led to some losses, he said, it was worthwhile. The ministry would

refuse to buy up rice and simply hold it in stock, he said, because the experience of 1981-83 when the Public Warehouse Organization lost 6,000 million baht leaving problems that remain unsolved to this day. The experiences of the PWO would not be repeated, he said.

Montree also revealed that for the Iranian deal the French broker placed a guarantee bond made out by the London branch of the Bangkok Bank for \$2,137,500 under the terms of the agreement. He did not deny that Iranian ships are due to arrive here soon to load the rice, but he said he could not disclose any of the details because

he is in a senior position. If reporters can obtain the facts there is no problem, he said.

Meanwhile, the Foreign Trade Department announced yesterday another invitation for exporters to sell it rice. This is for 100,000 tonnes, made up of:

- 50,000 tonnes of 25% Super grade at 4,510.40 baht per tonne
- 30,000 tonnes of 100% B grade at 4,740 baht per tonne
- 20,000 tonnes of 10% white rice at 4,220 baht per tonne

The ministry will pay initially for 20 per cent of the value of the rice which is to be exported.

## Overview of Iran Deal

Bangkok THE NATION in English 8 Feb 87 p 9

[Article by Peter Mytri Ungphakorn and Vishnu Cholitkul]

[Text]

**B**Y most accounts the Commerce Ministry has been a successful contributor to the unusual increase in rice and paddy prices in recent weeks. The ministry is said to have achieved this by buying up almost 300,000 tonnes of rice at prices above market levels and subsequently exporting it, although there is some dispute over the precise effect of this intervention.

But if it has been beneficial to the trade and ultimately to farmers, why has the ministry come under fire for the record-breaking 250,000-tonne deal to sell rice through a French broker to Iran?

The story contains an element of deception — although exactly who was deceiving whom remains unclear. It raises questions about the wisdom of using public money to cover private exporters' trading losses in the manner employed here. The size of the government's loss through taking up the deal is also unclear: if the loss is substantial it raises the thorny issue of export subsidies. And Commerce Minister Montree Pongpanit's evasive statements about the deal once again bring into question the ministry's credibility and accountability.

Some independent observers support the ministry over the 1,104 million baht deal. They say the ministry has given the market — all the way through to millers and farmers — more confidence and helped to lift prices. But even that assessment is challenged.

The evasion clashes markedly with the attempts to give publicity to the deal and to make political capital out of its size, probably the largest single Thai export deal ever.

On Thursday January 29, Chinese New Year's Day, news was leaked to some reporters of a huge deal in which the government would sell 250,000 tonnes of high grade (100% B) rice to a European broker. Some assumed that the rice was being sold to Europe, which mystified those in the trade who were not in the know. A sale of this size of this quality of Thai rice to Europe would be unusual, particularly since the United States has successfully recaptured much of the European market through its Farm Act.

The purpose of the leak, believed to be from a source within the ministry, was apparently to publicize the ministry's increasing role in exporting rice this season. The effect was to spur reporters and traders into a hunt for the truth about the deal.

A deal of this size is difficult to conceal. Warehouse, loading and shipping facilities have to be mobilized. Other exporters have to be brought in to make up the required quantities at the required grade, an important point in this case where it emerged that the rice was bound for Iran. Thai traders say Iranian buyers are extremely particular about inspecting quality — sometimes arbitrarily so. "And they cannot be bribed either," one Thai said last week. Exporters supplying the ministry with rice for the deal would have to be more selective. Some of the stocks they normally describe as 100% B grade would not do.

**B**Y Monday the facts were emerging. The deal was originally secured by two of the country's most successful exporters, Capital Rice Co Ltd and Hong Yiah Seng Co Ltd (known in Thai as Nakhon Luang Kha Khao Thanaphornchai). The most persistent reports say the two companies made their commitments in December, Capital Rice agreeing to supply the Iranians 90,000 tonnes at US\$173 per tonne, and Hong Yiah Seng to supply 160,000 tonnes at \$170.

That would make the total deal worth \$42.77 million and the

average price \$171.08. Montree has since confirmed that the price is \$171. But some reports from within the ministry and apparently independently from the trade suggest that the two exporters' original commitments might not have been for the whole 250,000 tonnes.

The terms are FOB which means the shipping cost is the responsibility of the Iranians and that the rice is handed over in Thailand after it has been inspected and loaded. But the two exporters are identified in officials documents as the procurers under the FOB terms of at least two Iranian ships due to arrive shortly. Clearly the ships are to take first deliveries of the rice to Iran.

Moreover, the European broker handling the deal has been identified as Paris-based Riz et Denrees (Rice and Commodities) SARL, known to be closely associated with Capital Rice.

Privately, several top ministry officials have confirmed these reports with minor differences in details. In a marathon press conference on Thursday, Montree also said the press reports were correct although he refused to spell out some of the details, such as the identity of the broker, on the grounds that it would be a breach of confidence. He insisted he was still unaware of the involvement of Capital Rice and Hong Yiah Seng other than through press reports.

One newspaper speculates that it is possible Montree was unaware but impossible that his top ministry officials were ignorant. Some ministry sources claim that first contacts were actually made directly between Montree and one of the exporters and that ministry officials were brought in later. Montree said the final decision was made in close consultation with Permanent Secretary Bajr Israsena and other officials and that Prime Minister Prem Tinsulanonda was informed on Friday January 30. He also said Cabinet ministers supported the deal.

Montree's own account is that the European broker made first contacts on January 8 offering to buy 100,000 tonnes of rice in a countertrade deal for fertilizer. He said the broker referred to a meeting in October in Paris with Pol Capt Surat Osathanugrah who was shortly to hand over the reins at the ministry to Montree.

**A**PPARENTLY the talks in Paris had not been fruitful and even the offer made in January was unacceptable, the price of the rice being \$165 FOB. After a series of exchanges, Montree said, towards the end of the month he decided to drop the idea of countertrading the rice and to offer 250,000 tonnes at a cash price he regarded higher than the January average, \$171. The offer was accepted and the required bond guaranteeing 5 per cent of the deal — a ministry requirement — was provided by the broker.

But Capital Rice's Vorapong Pichpongsa, who is also vice president of the Rice Exporters Association, and Prachai Leophairatana of Hong Yiah Seng both denied involvement. Vorapong was on Surat's trip in October and the party had been to Tehran before going to Paris. He said he had accepted a 30,000-tonne order which was now delivered. He had rejected an order for another 60,000 tonnes and no further contacts had been made, he said.

"There's nothing of mine in the deal," Prachai said. "If I were to sell (to Iran) I'd be mad." But he did say he had heard that Riz et Denrees had agreed to sell to Iran and then contacted the Thai government.

But assuming the two exporters really are involved, and all the evidence suggests they are, what could be wrong with transferring their deals to the government?

Nothing, according to Montree. The government was merely ensuring that a quarter of a million tonnes of rice gets shipped out, even though it was helping the exporters — unknowingly, he says. He would do it again, for any exporter.

The two exporters apparently stood to lose from the deal because they "sold short" — they accepted the December price of \$171, even though they did not possess the rice then, believing that when the time came for them to buy up the committed rice and deliver it, prices would be in their favour. Unfortunately for them, but fortunately for farmers, prices rose in January because the market became aware that the harvest is going to be smaller than expected and also probably because of the Commerce Ministry's purchase.

Traders say that to break even on rice available now the FOB export price should be at least \$180. Some say it should be \$190, but no foreign

importer would buy at that price.

But it is in the nature of commodity trading that people get caught out from time to time. Speculation and anticipation are the rules of the game. As one trader pointed out, Capital Rice and Hong Yiah Seng never share their profits with the Commerce Ministry when they have sold short successfully.

Moreover, Montree has placed a lot of emphasis on the size of the deal, implying that he would not be interested in small deals. But that means he would be prepared to assist large exporters, but not the smaller ones who handle deals in thousands or tens of thousands of tonnes. The apparent selectivity of the process is one of the points critics have raised.

**T**HE size of the government's loss is another. It is difficult to arrive at precise figures of the loss involved, although again estimates appearing in the press are covered by Montree's sweeping confirmation that the press reports are essentially correct. But the estimates cover a broad range.

What is known is how much the government has paid in the past few weeks for this grade of rice. The Commerce Ministry buys the rice from exporters and the prices are said to be above market levels. The prices range from 4,460 baht to 4,710 baht per tonne for quantities totalling 170,000 tonnes for which 778 million baht has been paid. The government has to buy another 80,000 tonnes.

The total loss depends on additional costs: what the ministry pays for the remaining 80,000 tonnes, sacks, storage, stevedoring and other handling. Estimates of the total loss vary from 40 million baht to 103 million baht, 3.6 to 9.3 per cent of the deal.

Montree speaks of the losses as being part of trading and that the final assessment has to be made at the end of the year, not on a deal-by-deal basis. But he has also mentioned the seven-member sub-committee of the Rice Policy and Measures Committee set up to oversee spending of 300 million baht allocated to the ministry to cover trading costs. That suggests the scale of the loss the ministry is

prepared to suffer. Whether covering exporters short sale losses amounts to a subsidy is an intriguing question.

Officials have denied all along that they are planning to subsidize exports. To do so risks trouble, such as countervailing duties and retaliation in third markets by the United States, Thailand's main competitor in international rice trading. The United States had found a way of subsidizing its own rice that avoids the concept of export subsidy. But it is an expensive way.

Whether Commerce Ministry intervention and financial assistance actually helps to raise domestic prices is a debatable point. Some economists such as Dr Chirmsak Pinthong of Thammasat University say the means employed by the ministry is so selective that the benefits stay with the traders. He would prefer to see across-the-board subsidies that all exporters would have to compete for by buying up more rice. That would mean fixed rates per tonne or per baht exported. The selectivity is the key.

The danger is that exporters will manipulate the system. Instead of developing their exporting skills they could seek to earn profits by going out to secure unprofitable deals knowing that the ministry will bail them out. And the ministry will do so by taking over the deals and buying up the rice from the exporters at prices which are even more profitable for the exporters than if they had exported it themselves. Ministry exports would simply replace private exports at a cost to the taxpayer and a gain to the exporters, with nothing or practically nothing seeping through to farmers.

The next stage could even be for a handful of major exporters to get together to work out a system to share out the takings. Some say the ministry would do better to avoid offering any temptation of this kind.

Already, there are rumours of other exporters seeking similar deal transfers, and on Thursday, Montree announced he was selling another 150,000 tonnes, this time of a mixture of grades of rice. But again, no details were disclosed.

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CSO: 4200/364

## PAPER SEES COMMUNIST PLOT IN PHILIPPINES, VIEWS ARMS FLOW

Bangkok THE NATION in English 10 Feb 87 p 4

[Text]

**T**HE END to the truce between the Philippine armed forces and the New People's Army (NPA) was a calculated move by the communists. We had never believed that the negotiated ceasefire would lead to what President Corazon Aquino had hoped would be national reconciliation but that it was only a well-planned ploy to enable the NPA to regroup and do more recruiting. If Mrs Aquino had emerged somewhat politically weakened after the constitution referendum, the communists might have extended their truce because they would have considered the possibility of political pressure more appealing.

Singapore Foreign Minister Suppiah Dhanabalan has taken a similar view saying that the communists had used the truce to their own advantage and that he believed that they never meant to negotiate a peaceful solution. Communists, he said, always aim at a takeover and if they work with others it is only a temporary ploy to achieve the long-term objective. This is further confirmed by the military issuing a secret communist document in Manila which showed the rebels entered into the truce only as a "grand design of deception."

There is sufficient reason for Mrs Aquino to stop making further overtures to the communists and work toward unity in the armed forces which may be severely tested during the next few months. The attempted pre-referendum coup clearly showed that there is a deep

rift within the armed forces, and the NPA, which reportedly has 23,000 armed guerrillas, will be sorely tempted to take advantage of this situation.

Before breaking off the talks about extension of the truce, the communist negotiators' key demand had been power-sharing with the Aquino government. But they must have now realized, if they had not done so before, that Mrs Aquino is firmly in control and has the full backing of Filipinos. Many of the junior officers and privates in the armed forces reportedly voted against the constitution in the plebiscite mainly because they considered Mrs Aquino was soft on communism. It is her duty to dispel this notion from the rank and file of the military in order to secure unity.

Further, the government in Manila must also try to halt the flow of arms and other goods to the NPA because it must be an extremely costly affair to arm, feed and clothe 23,000 men. When Thailand was fighting communist insurgency in the 1960s and '70s, we knew where the arms were coming from because this country had extensive land borders with some countries which had strong communist parties. There is no question that both arms and money are flowing to the NPA from foreign sources and while it may be difficult to halt that, because the Philippines is an archipelago where arms may be unloaded at inconspicuous minor ports, a determined effort should be made in that direction.

/9274

CSO 4200/363

## PAPER SAYS AQUINO PLAYING 'DOUBLE GAME' IN PHILIPPINES

Bangkok THE NATION in English 14 Feb 87 p 4

[Text]

**T**HERE have been 17 "insurgency-related" incidents in the Philippines during the first five days since the truce expired last Sunday, according to armed forces chief Gen Fidel Ramos. He said these incidents caused the death of 22 rebels, 11 soldiers, four police or paramilitary troops, and one civilian. The message of President Corazon Aquino, he explained, is not all-out war since she said that the door remained open for negotiations even if there is firing.

This is exactly where the problem is. Her speech is interpreted as less than a call to arms than an appeal for peace within her own disgruntled military. But Mrs Aquino has not been going about it the right way since if she wants a finely tuned military force to face the 23,000-man New People's Army (NPA) she should do more to unite the factionalized army and do everything possible to prevent demoralization.

But this is not what she is doing. Even as Mrs Aquino was speaking to the military, her government officials were still working behind the scenes to contact local commanders of the NPA and revive peace talks on a regional level. Mrs Aquino's chief negotiator with the communists, Teofisto Guingona, added more confusion by saying that Mrs Aquino did not signal total war with the communists because the government has been keeping its doors open for those who want peace.

Military officers and soldiers are of course quite aware that Mrs Aquino is playing a double-handed game.

Recent statements made by Ramos and Defence Minister Rafael Ileto indicate that the military will pursue a policy of "active defence", meaning patrols will continue and, if attacked, the rebels will be pursued. But a conference of rebel leaders held in Mindanao island, to which reporters were invited, does not see Mrs Aquino's speech that way; the leaders claim that it is a US-inspired plan for "total war."

The rebel leaders also confirmed what we have been saying all along — and before us former Defence Minister Juan Ponce Enrile — that the 60-day truce gave them an opportunity to organize and regroup for an even bloodier struggle ahead. One of the leaders, Ka (Comrade) Victor said: "We have seen gains in expanding our organization, recovering lost territory. Our military organization has been strengthened."

In a desperate plea to the US Congress, Secretary of State George Shultz said that the US has let down the Philippines by cutting military aid. He said that the Philippine army needed money to equip themselves to fight "a vicious communist insurgency." But Congress is in a different mood and massive military and economic aid to the Philippines being approved will remain a pipedream.



## TRADE PLANS WITH EAST EUROPE, STRATEGIES VIEWED

Bangkok THE NATION in English 5 Feb 87 p 5

[Article by Sinfah Tunsarawuth]

[Text]

ENCOUNTERING more refined diplomacy from Eastern European countries where Foreign Minister Siddhi Savetsila plans to visit in May, Thailand is expected to be more responsive to their offers for better ties, particularly on trade opportunities.

The response has been called for during recent addresses by Siddhi on many occasions stressing that emphasis will be given to relations with the Soviet Union and its allies in the ministry's policy for 1987 seeking more market access for Thailand's abundant agricultural and semi-industrial products.

The other side seems to be far more ardent in boosting the low-level contacts, and attractive offers have been made and repeated whenever it has been opportune.

All the chiefs of the diplomatic missions here, in separate interviews, said they are looking for improved political relations and an increase of trade volume and cooperation on science and technology with Thailand through Siddhi's impending visit.

Mechanism is being established with the Eastern bloc countries so the two sides will have a forum to discuss trade issues, for instance, the possibility of countertrade and how they can increase their direct import from Thailand. Some Soviet bloc countries have bought a large amount of products of Thai origin from international markets.

Saying his highest priority is to further better Thai-Soviet relations, Soviet Ambassador to Thailand

Valentin Kasatkin has repeated Moscow's proposal for an increase in trade and its presently non-existent investment in Thailand.

"We are ready to do as much business as Thailand is ready to match or to accept," Kasatkin said. He added that the Soviets are prepared to sponsor the construction of numerous industrial plants here, which Thailand could pay off through its traditional export goods. He listed a number of potential projects — from construction of tractor factories to erection of oil-drilling rigs — that could be built with local labour and materials guided by Soviet expertise.

He said he expects Siddhi's visit will strengthen the political contacts between the two countries and will give strong impetus to development of cooperation in economics, science, technology and culture.

Better relations with Thailand are also expected by Kasatkin's Polish counterpart and the Czech charge d'affaires.

Poland's Ambassador to Thailand Andrzej Majkowski said in a recent interview that he believes Siddhi's visit will bring about a better understanding between Poland and Thailand on regional and international issues. He said the capabilities of both countries to cooperate in trade have not been fully applied and there are opportunities for an increase in the trade volume.

Poland needs textiles from Thailand and is seeking ways to

import the product, he said. "First of all, we must inform each other about the opportunities. What we can offer you, and what Thais can offer us," said Majkowski who has completed his four-year tenure and will leave for Warsaw this spring.

He indicated the two countries may use countertrade to promote their trade volume, which last year amounted to only about US\$10-12 million.

The major export of Thailand to Poland is natural rubber while the main imports from the Eastern European country are pharmaceutical and chemical products.

Czeslaw Godek, the Polish commercial counsellor, said natural rubber has been the major Thai export for the last three years, and its value determines the amount of trade. He said last year Poland had only \$1.5 million total imports from Thailand due to the slump of natural rubber trade.

Godek said Poland prefers normal trade to countertrade, but the latter formula can be used if it is the only way to boost the trade volume.

Besides the barriers of different economic systems and a lack of purchasing power on all sides, Thailand, Poland and Czechoslovakia also have no permanent mechanism to explore a means of trade.

The Thai-Polish joint committee on trade held its first meeting here last October despite more than 30 years of trade. An agreement to establish such a committee with Czechoslovakia will finally be signed by Commerce Minister

Montree Pongpanit and Czechoslovakia's Minister of Foreign Trade Bohumil Urban when Montree visits Prague in early March.

The October 1-3 meeting between Deputy Commerce Minister Prachuab Chaisarn and a Polish deputy minister of foreign trade resulted in a memorandum of understanding in which both sides planned to increase the two-way annual trade volume to US\$50 million in 1988.

Thai-Polish trade reached a high value of \$23 million in 1984, the year Poland imported a large amount of natural rubber and textiles.

In the memo, both sides considered the possibility of countertrade through which the Agriculture Ministry will buy boats for coastal survey in exchange for rice. Thailand's Mining Industry Council also proposed to countertrade barite and fluorite for Poland's iron ore.

Both proposals have not yet been realized. The Agriculture Ministry has bought the boats from another source and Poland said the amount of iron ore requested by the council was less than the minimal quantity Poland can export. The Poles asked the Thais to increase the amount, and the matter is under negotiation.

Last month Poland contacted a London-based Thai agency, Thai Corporation Intertrade, to offer 300 bus chassis for the Bangkok Mass Transit Authority in exchange for Thai rice.

Officials of the Commerce Ministry said the only way to sell rice to Poland is through government-to-government or private-to-government countertrade. They said during 1983-84 Poland bought a considerable amount of rice from Thailand, but in 1985 it signed a countertrade agreement with China which since then is the major rice supplier for the Poles.

The lack of a trade mechanism with Czechoslovakia has lessened Thai ability to directly sell its products to the country. Czechoslovakia and Poland have bought a large portion of products of Thai origin from international markets.

Michal Sorokac, charge d'affaires of the Czechoslovak Embassy, said

he hoped the first meeting of the Thai-Czechoslovak joint committee could be held in Prague immediately after the signing by Montree and Urban. But Montree was quoted by him as saying that the Thai side preferred the meeting to take place later in the year.

Sorokac said the joint committee will discuss how Czechoslovakia can directly import tin and wolfram from Thailand. He said last year his country bought about \$8 million of Thai tin and wolfram through the Netherlands' port city of Rotterdam.

Godek also said Poland has imported large quantity of tin and natural rubber of Thai origin from other countries. He said the indirect purchase, if added to direct imports from Thailand, would tip trade three times in favour of a Thai trade surplus.

Kasatkin and other Soviet officials from Moscow who visited here said Thailand and the Soviet Union have no bilateral conflict. Their view was echoed by their Polish and Czech friends. Apart from trade and economic ties, they all urged more exchanges of culture and sports.

Socialist activities in Bangkok this year will certainly draw the attention of both Thais and Westerners who are cautious of a growing "offensive" from the Eastern bloc.

This October will mark the 70th anniversary of the Soviet Union's revolution. The Soviet Embassy plans to hold festivities on a grand scale. It will also mark the 15th anniversary of Thai-Polish diplomatic relations which were forged in November 1972.

Siddhi, in his address to a meeting of members of the Foreign Correspondents Club of Thailand last December, said one of the policies of the Foreign Ministry in late 1980's is to improve our terms of trade and circumvent the protectionism of the West by trading with "all countries, irrespective of differences in ideology and political and economic systems."

His trip is certainly looked forward to enthusiastically by the other side which hopes to make big progress.

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CSO: 4200/363

SUPREME COMMANDER SEES DEFENSE FUNDING GAPS

Bangkok THE NATION in English 6 Feb 87 pp 1, 2

[Text] Supreme Commander Adm Supa Gajasenī said yesterday that the annual budget allocated to the armed forces over the past two decades amounted to only about 25 percent of the money needed to meet the defence requirements of the country.

Addressing members of the National Security Psychology Club at the Convention Hall of the National Defence College, the supreme commander said that the 1968-1987 defence strategy codenamed 'Ramkhamhaeng Scheme' called for an annual spending of 132,000 million baht during the period.

But in fact, the Defence Ministry received a budget of only about 35,000 million baht each year, he said.

Despite the budgetary constraint, he said, the armed forces managed to foil the Communist Party of Thailand (CPT)'s attempt to fuel a civil war. CPT in those days posed a serious threat to the national security, he added.

Adm Supa said that the military took into account the economic situation of the country in formulating the present five-year plan to beef up the defence forces. The master plan was launched in the present fiscal year.

But the budgets to be earmarked for the armed forces are not expected to be sufficient to meet the security requirements envisaged under the plan, he said.

He added that as a result, the military had to strengthen cooperation with the armed forces in friendly countries, including the United States which later signed an

agreement to set up a joint Thai-US war reserve stockpile here.

Apart from the joint war chest, the military has also been conducting joint exercises with friendly countries every year to improve its combat readiness, he said.

The friendly states he said were the members of the Association of Southeast Asian Nations (ASEAN), Taiwan, South Korea and China, according to the supreme commander.

"We have to diversify the sources of logistic support because if we rely on the United States alone, we would be in a vulnerable position if our potential enemy managed to sever the logistic routes from the US bases to our country," he said.

To cope with the insufficient defence budget, the armed forces had to tighten its belt and in this regard, the Royal Thai Army is in the process of restructuring its force to cut back on the manpower while raising its efficiency, said Adm Supa, who added that the results of the ongoing revamp have been encouraging.

Stressing the importance of a "total defence" which calls for civilian participation in war or any other critical situation, Adm Supa said that the military had organized defence villages in sensitive areas along the border, particularly the Thai-Kampuchean frontier.

About 500 defence villages have been organized on the terrains close to the eastern border, according to the supreme commander.

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## ARTICLE DISCUSSES ROLE, INFLUENCE OF GEN CHAWALIT

Bangkok BANGKOK POST in English 9 Feb 87 p 4

[Article by Surin Phitsuwan]

## [Text]

THE high degree of attention the public attaches to whatever the Commander-in-Chief of the Army does or says, is a clear indication that the top Army post is vested with much "political capital." Its occupant could either choose to invest this "capital" carefully and intelligently, or he could risk being seen as a spoiler in the game of democratic politics.

Last Tuesday Gen Chavalit Yongchaiyudh delivered a verbal broadside against those who "lack determination, are hypocritical, insincere and only after self-interests" on the political stage. He denied being instrumental in last August's formation of the present Prem V coalition.

He reiterated his intention to resign from the top Army post after having occupied it for two years. He also reaffirmed his support for the existing political system, but was very critical of the game politicians are currently playing.

One of the most interesting statements that came out of the National Institute for Development Administration (NIDA), was a definition the Army chief gave to the word *patiawat* (revolution). He was asked to clarify his earlier controversial statement that he would not guarantee that the Army would never stage a revolution again. According to Gen Chavalit, the term *patiawat* or revolution was misunderstood in Thailand. He made a distinction between a coup d'etat and a revolution. The first implied the use of force to change a government, while the latter signi-

fied a social transformation to the better. He used the Green revolution and the industrial revolution as examples of the positive meaning of the term.

"Why should I be criticised?" he lamented. "I will never seek to change the Government by force. That is illegal. I have defended the Government against coup d'etat attempts before and will do it again. I pledge to do again."

It seems the Army C-in-C has managed to get himself out of hot water once again. Unlike his immediate predecessor, who was frequently caught entangled in his own manoeuvrings, the present Army chief has displayed quick political footwork. But he should also realise that there is certainly room for improvement if he wants to forge some major changes in Thai national affairs.

First of all, one should not underestimate the collective intelligence of the Thai people. Many military leaders and politicians have committed this fatal mistake in the past and their political ambitions have never been fulfilled. The people have a way of knowing the difference between "arrogance" and "intelligence." To shift from one foot to another when the sand is hot can also be said to be "hypocritical and insincere." To argue that the word revolution only means a positive transformation of a society is to disregard many major sins committed in the name of revolution in human history.

Secondly, humility is still a virtue most admired by the Thai peo-

ple. The notion that "I and I alone" can lead this society into a brighter future is not only a display of naivety but also an indication of the true dictatorial character of the person entertaining it. What we want now is a plurality of choice of leadership, and not a limitation imposed by certain powerful personalities.

The Constitution, the political parties and the elections are political institutions that have been created by men. They too need time to mature, evolve and transform in order to reflect the true democratic aspirations of the people. The Thai people also realise full well that certain powers that be would not allow them to be changed for the better. Experience has shown that the only changes allowed by some of the powerful quarters are changes in the wrong direction. For example, to let members of the armed forces back into the Cabinet. Now we are hearing of plans to amend the Constitution so as to make total separation between the legislative and the executive branches; representatives of the people are not qualified to administer the affairs of the people; they ask too many questions; ministers have no time to do their jobs.

The fact that a coalition Government was negotiated at the dining table of a powerful army leader is in itself testimony to the involvement or, indeed, an interference in the domain of politics. It would not

be a correct description of what really happened, to say that "they had asked to use my house as the venue for negotiations to set up the coalition." If one is really committed to the principle of non-involvement, one can always decline the honour. Or was it a request from superiors that could not be turned down? Who really made the atmosphere impossible for the "civilians" to settle the matter among themselves?

The Commander-in-Chief of the Army was very much on target when he said that "he who would become prime minister must be a visionary, knowledgeable, truly dedicated and, what is most important, must be elected to the post by the people." The real question is do people really have a choice? And what if they disagree with the choice being proposed before them?

Given the conservative bent of the Thai people, it is difficult to imagine them consenting to someone staging a coup d'etat or a revolution to protect and promote their interests. It is more likely that they prefer to take a much slower and surer road of democratic transformation, through consensus building and constitutional process.

When it comes to that, we hope we will not be hearing someone crying out: "The people misunderstand me. I mean well. I have no choice but to force them into accepting me as their best leader."

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## CROWN PRINCE UNIT FACES UPGRADING

Bangkok THE NATION in English 12 Feb 86 pp 1, 2

[Text]

**PRIME Minister Prem Tinsulanonda has received a proposal to upgrade the Royal Guards Regiment headed by HRH Crown Prince Vajiralongkorn to the level of a division and to put it under the direct command of the commander-in-chief of the Royal Thai Army (RTA), The Nation learned yesterday.**

Informed sources said that the plan was disclosed during last week's meeting of commanders of the army units directly responsible to Army Commander-in-Chief Gen Chavalit Yongchaiyudh.

Gen Chavalit also announced the plan to restructure the Internal Security Operations Command (ISOC) during the meeting. Another highlight discussed at the meeting is the commander-in-chief's plan to cut back the number of students to be enrolled at the Chulachomklao Military Academy to 200 annually. Under the same programme, the students to be admitted into the school for non-commissioned officers will also be reduced to 2,000 annually.

The sources said that with the upgrading of the Royal Guards Regiment, the Crown Prince is expected to be promoted to become division commander carrying the rank of major general. He is now special colonel in his capacity as commander of the Royal Guards Regiment.

The sources said that the restructuring of the Royal Guards Regiment has to be approved by Gen Prem in his capacity as head of the government before it becomes effective.

According to established procedures, HM the King must sign

approval of all the military appointments from the rank of major general upwards before they go into force.

At present, the units directly responsible to the RTA are all the four regional armies and the Special Warfare Headquarters.

Gen Chavalit had earlier announced the restructuring at ISOC to the effect that the government takes over the leading role at the anti-communist body from the RTA.

According to the restructuring order signed by the premier Monday, Gen Prem becomes the general director of communist suppression while the supreme commander, the commanders-in-chief of all the armed forces, some Cabinet members and permanent secretaries are to become his deputies.

The order also transforms ISOC from an implementing body to a policy-making organization and cuts back on both the size of its personnel and budget.

Gen Chavalit also said that apart from the ISOC restructuring order, there is yet another piece of "good news" that is forthcoming. He said that Gen Prem will make an announcement on the "good news" himself.

Gen Prem will today take a trip to some northern provinces, including Lamphang and Chiang Rai. Gen Chavalit will also leave the capital for the North today. His Majesty is now staying at the Phuphing Palace in Chiang Mai.

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CSO, 4200/363

## BUDGET SET TO RISE 5.5 PERCENT

Bangkok BANGKOK POST in English 18 Feb 87 p 13

[Text]

THE Finance Ministry has set a growth rate of 5.5% for next fiscal year's expenditure budget, a ministry source said yesterday.

The 5.5% increase from the current budget is described as "dynamic" as the Government has applied zero-growth budgeting for the past few fiscal years, the source said.

He said the govern-

ment agencies concerned are working on the figures for next fiscal year which begins on October 1, 1987, and will meet soon to determine whose figures are the best to be proposed to the Cabinet for approval.

The source said the Finance Ministry's figures are very close to the those prepared by the Bank of Thailand but contain some differences when compared to those of the Budget Bureau.

"In our formula, the revenue collection for next fiscal year is estimated to rise by 8.9% from this year's base of 185,500 million baht. That means the income projection for 1988 will be 202,009 million baht," he added.

In determining the

expenditure budget, the Finance Ministry will follow the instructions in the Sixth National Economic and Social Development Plan that the country's budget deficit should be reduced from 4% of the Gross Domestic Product to 2% within the five-year period of this plan.

"So it is estimated that the budget deficit for next fiscal year should be about 3% at the maximum of the 1,273,801-million-baht GDP," or 38,214 million baht," the source said.

As the revenue collection is projected at 202,009 million baht and the budget deficit at 38,214 million baht, the total expenditure budget for next fiscal year should

be 240,223 million baht, he said.

Compared with this fiscal year's 227,500-million-baht expenditure budget, the country's expenditure budget for next fiscal year will be 5.5% bigger.

This fiscal year, the budget rose by 4.3% after the Government approved a special budget of 1,500 million baht to stimulate the economy, while the 1986 fiscal budget increased by only 2.3%.

The dynamic growth rate designed for next fiscal budget will greatly help improve the country's economic growth.

According to the Sixth Plan, the country is set to sustain a steady economic growth of about 5% annually.

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## RISING BUDGET DEFICIT BLAMED ON DEFENSE SPENDING

Bangkok BANGKOK POST in English 18 Feb 87 p 15

[Text]

THE annual budget is like a blood vessel feeding the government machinery making it work properly, and as the Government is the one to lay down policies on the direction of the country's economy and work out its finance, taxation, expenditure, borrowing and other businesses, it has a substantial impact on the economy.

The increase in expenditure in the budgetary process clearly shows the Government's role in economic management. The percentage of the Government's annual budget against the Gross Domestic Product rose from 16% in 1975 to 17.5% in 1977, 19% in 1982 and 19.8% last year. This goes to show that the Government's expenditure has always been on the rise.

The apparent financial trend is that the Government is the country's biggest spender, but in practice, one thing indicates that the Government's monetary status is not stable, and that is the increasing budgetary deficit.

The basic reason for this situation is that the Government's expenditure is much larger than its income. The situation started to be worrying in 1980 when the deficit was 4.3% of GDP; it has reached 6.5% of GDP at present.

It can be said that the Government's deficit situation has reached a chronic stage.

### ■ Budgetary deficit: a constant occurrence

Since the Royal Decree on National Budget was promulgated in 1959, there has always been a deficit in Thailand's national budget.

To speed up development, increasingly higher expenditure has to be allocated, but as a poor country, the tax base was narrow, tax evasion was rife and tax collection procedure was not effective enough.

So when the country's development

of the country was being accelerated, the Government's expenditure rose but income stayed unchanged or increased only slightly. There had been only one instance in 1974 when there was a budget surplus because agricultural prices were exceptionally high. At that time, the Government collected a huge amount of rice export premium, significantly boosting its income.

The budgetary deficit may take place once in a while but should not be allowed to become a chronic problem. The problem can be solved in various ways, such as improving the tax procedure, expanding the earnings base and adjusting fees for public services. These are more practical and longer-lasting solutions than simply borrowing more money which is more of a contingency measure.

But the Government cannot adjust the tax procedure to boost the income to match the expenditure or increase public service fees due to many reasons. One of them is the necessity to keep the tax rates low or to reduce taxes to stimulate economy, coupled with the increase in expenditure.

In turn, the increase in income is usually hampered by the economic situation and political problems which could easily affect the Government's stability. So the Government tried to solve the problem by borrowing more.

The rapidly growing accumulated debts reached 87,600 million baht in 1977, up by 45.5% from 1976's 60,200 million baht. Since then, particularly during 1978-85, the Government's debts soared by about 52,260 million baht annually.

The Government's current debts total about 565,000 million baht — 282,100 million baht in foreign debt or government guarantees and 182,900 million baht in domestic debt.

The very heavy debt burden further aggravates the Government's financial

status and has brought about the present financial headache — ever-increasing debt repayments. In the current fiscal year which started on October 1, 1986, the Government will have to repay 56,150 million baht — 24.7% of the total expenditure — the highest ever recorded.

■ **Increasing defence budget: another source of high budget deficit**

The increase in government expenditure has led to a worrying financial status. The problem has always been over-spending, meaning that spending is rising faster than earnings.

During 1976-85, the expenditure rose by 17% annually, while earnings increased by only 15% a year. Most recently, in the 1986 budget, the Government's expenditure went up by 3.2%, while earnings rose by only 2.7%.

Such a difference between expenditure and income has worsened budget deficit.

The Government's higher expenditure can be attributed to:

- Debt repayments increasing by about 20% annually — a direct result of past borrowing sprees.

- Expenditure on general administration rising by about 13% a year because salary payments, which account for as much as 30% of the whole budget, cannot be reduced.

- State enterprises investments growing by about 20% annually — a result of the Government's policy to invest in diverse projects which again necessitate borrowings from abroad. At present, about 63% of the Government's foreign debt is on behalf of state enterprises, while direct government borrowings account for only 27%.

- National defence budget growing by about 14% annually — another major factor contributing to the chronic deficits. This budget accounts for as much as 19% of the total expenditure.

Especially during 1975-82, the increase in national defence budget was close to 21% a year; only in the past three to four years did the rate fall to about 5% annually. However, this budget is still very high — second only to the debt repayment budget.

The defence expenditure is proportionately high with no adjustment made in accordance with government income. The problem became serious in 1972 when the US pulled out its forces from Indochina and drastically and suddenly cut military aids to Thailand.

So the Government had to allocate a huge budget for national defence, which has now become a big burden for both budget planning and the decision to borrow for this purpose.

(In 1976, the Government borrowed from abroad as much as 20,000 million baht for the Armed Forces.)

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## SOMMAI ROLE IN BANK REVAMP EXAMINED

Bangkok THE NATION in English 9 Feb 87 pp 1, 2

[Text]

FORMER Finance Minister Sommai Hoontrakool has resurfaced from retirement to play a key role in the major restructuring of Siam City Bank. As of last Friday (Feb 6), the deadline for existing shareholders to exercise their rights to buy new shares; a total of 980 million baht worth of shares had been subscribed to.

The bank's board of directors will today invite new investors to buy up the remaining 500 million baht shares. The board decided at the Friday meeting, chaired by Chalerm Chiewsakul, to invite the Fund for Rehabilitation and Development of Financial Institutions to take up the remaining amount. This will facilitate the bank's move to seek assistance from the central bank which has said it is ready to offer soft-loans to shore up the bank once a new management is installed.

The board also decided that the Siam City Bank will become a "public company" without any particular group of shareholders possessing controlling interest. Efforts will be made to try to get individual, small shareholders to buy up the new shares.

The board ruled that the new management should comprise professional bankers who are "neutral" — independent of any group of shareholders' undue influence. The new executives should also be acceptable to the banking circles and the public in general.

The Mahadumrongkuls, who have subscribed to the new shares to maintain their ratio of shareholding in the new setup, pledged their support to the board to cooperate with the new management in every way possible.

Chalerm said the 500 million baht new shares will be offered in full to the Fund. The Bank of Thailand has decided in favour of that move to restore public confidence. "After a while, the Fund could release the shares to the public," said the board chairman.

Informed sources said that the

Mahadumrongkuls had taken up 480 million baht worth of new shares while the Crown Property Bureau had bought 113 million baht additional shares to keep their respective shareholding ratios.

The Mahadumrongkuls, before deciding to buy the new shares, had decided to call it quits from the bank's management. Direk, Dilok and Chairud Mahadumrongkul were working hard behind the scenes to structure the new management to ensure that the bank would survive the transition.

Informed sources said that they went to seek Sommai Hoontrakool, former finance minister, who was asked to convince Mr Sukri Kaocharern, president of the Industrial Finance Corporation of Thailand (IFCT), of which Sommai remains the chairman, to lead the new management team of Siam City Bank.

Sommai was also asked to become the chairman of the bank's new board but sources said the former finance minister remained non-committal over the request. He, however, agreed to talk to Sukri to become Siam City Bank's chairman if the major shareholders agree to the nomination.

The existing board of directors will have to be replaced after the remaining 500 million baht in new shares are sold.

The Bank of Thailand was unofficially informed of the nomination of Sukri as the Siam City Bank's new president and did not express any objection to the move, according to central bank sources.

Sukri was not available for comment over the weekend.

Sources said that Siam Commercial Bank, which had earlier held talks with the central bank to become the major operator of the bank, had set some tough conditions which remained unresolved until the deadline of the share transactions for existing shareholders last Friday.

A senior executive of Siam Commercial Bank said over the weekend: "Our talks with the central bank have faded away ..."

Manoch Kanchanachaya, an assistant governor of the central bank, who is chairman of the advisory committee for the restructuring of Siam City Bank, said the invitation to the new share buyers will

probably be issued on Monday. "The rest of the process shouldn't take too many days now," he said.

Manoch said the Fund will step in to buy shares "only in case of necessity." He added, however, that whatever the eventual shareholding structure, the authorities will certainly play a role in the management.

"We also have to urgently put into place an internal control system which doesn't report to the bank's management," he added.

Manoch said it was encouraging to note that a large number of small shareholders had subscribed to the new shares of Siam City Bank.

Sources noted that small shareholders were active on Friday to buy additional shares, which were sold at about 5.50 baht to 6.50 baht per five-baht share, hoping to make something out of the capital gain when the shares are traded at higher prices than today.

Some existing major shareholders also bought up large numbers of stocks: Kiarti Srifuengfung bought another 100 million baht while Vanchai Chirativat purchased an additional 50 million baht and Thamnoon Nirandornkul got another 47 million baht.

Former Deputy Premier Boonchu Rojanastien, an ex-chairman of Siam City Bank, admitted that he had been consulted by a group of shareholders who had bought shares when he led the management team into the bank three years ago before his feud with the Mahadumrongkuls forced him out of the bank.

Boonchu said he wouldn't buy additional shares and warned his friends to make sure that they would be in a position to have a say in the new structure before buying new shares. At one point during the discussions of Boonchu's group, it was suggested that Mr Prayoon Chindapradist, president of Thai Military Bank, be approached to lead the new management team. But the question was not pursued.

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CSO: 4200/363

# CABINET APPROVES NATIONAL AGRICULTURE COUNCIL

Bangkok THE NATION in English 28 Jan 87 p 1, 2

[Text]

THE Cabinet yesterday approved the proposal to set up a National Agriculture Council which will serve as its key adviser on agricultural policy and supervise the implementation of the policy on production, processing and marketing of all crops.

Deputy Agriculture Minister Suthep Thuaksuban told reporters that the Cabinet also assigned him and PM's Office Minister Meechai Ruchuphan to form an ad hoc committee which will draft a bill to establish the council.

The working group is required to conclude its mission and forward the draft bill to the Cabinet for approval within a month, said Suthep, adding that the government would be ready to submit the bill to Parliament when it reconvenes in April.

Suthep said that Agriculture

Minister Gen Harn Leenanonda, who is on an overseas trip, had endorsed the proposal which is one of the election promises made by their Democrat Party.

The National Agriculture Council will comprise representatives from the government, the private sector, and farmers.

According to the proposal, the council will be empowered to:

- formulate production, processing and marketing plans for all crops and lay down policy guidelines for all related government agencies. The plans and policy guidelines would take into account the interests of all parties concerned and aim at speeding up the agricultural development of the country;

- work out directions on production and processing promotion as well as marketing and pricing measures so agricultural development will be systematic and is in line with the market demand both in terms of the quantity and quality of the crops;

- map out measures to strengthen farmers' institutions which will support the agricultural development policy outlined by the council;

- study recommendations by the committees on various commodities which can be useful for the formulation of plans and measures on the production, marketing and pricing of agricultural products;

- support and coordinate relevant government units which carry out its plans, policy and measures;

- follow up and evaluate the implementation of its strategy;

- provide advice to the government on agricultural development to make it compatible with the overall economic and social development of the country.

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CSO: 4200/363

## FARM CREDIT WOES PLAGUE AGRICULTURE BANK

Bangkok THE NATION in English 19 Jan 87 p 25

[Text]

**T**HE Government's recent decision to require commercial banks to increase lending to the rural economy could simply lead to the Bank for Agriculture and Agricultural Cooperatives ending up with even more of the kind of money it does not want.

That is what worries BAAC General Manager Chamlong Tohtong, following the Bank of Thailand's announcement that commercial banks have to increase their lending to agriculture, agribusiness and rural industry to 20 per cent of all deposits.

Previously, the requirement was for 13 per cent of deposits to be lent to agriculture and agribusiness, with at least 11 per cent going to pure agriculture. But commercial banks were allowed an escape clause: any money they failed to lend under the target could be deposited with the BAAC instead. In the past, every year they have failed to meet their targets and have had to resort to the BAAC option.

But rather than being grateful for all the money, the BAAC has found the deposits a burden. Squeezed between market rates for deposit interest and the high cost of covering risky lending to agriculture, the BAAC would rather not have the commercial banks' money.

Other anomalies exist in the system. It is well-known that much of the money commercial banks officially lend directly to farmers is spent for non-

farming purposes. Some of it is used to finance workers who have obtained employment abroad. Some of it goes to rural money lenders who relend it at considerably higher interest rates.

Privately, officials say lending to luxury seaside hotels and other similar activities gets classified as rural credit, although concrete evidence is hard to come by.

The intention behind the rural credit requirement for commercial banks is understandable. In the 1970s, commercial banks were accused of drawing resources away from the countryside by lending rural money to urban activities. In 1975, the idea of requiring the banks to lend a given proportion of their deposits for farming was introduced as a means of stemming the flow of funds into the towns and cities.

The first requirement was for 5 per cent of total outstanding loans as of the end of 1974 to be lent for agriculture in 1975. The following year this was changed to 7 per cent of deposits at the end of the previous year. The rate was increased for 1977 to 9 per cent. In 1978, the 9 per cent requirement was maintained for agriculture but another 2 per cent was required for agribusiness bringing the combined rate to 11 per cent.

From 1979, the target was 13 per cent, at least 11 per cent for pure agriculture and 2 per cent allowed for agribusiness. Commercial banks have had little difficulty with the agribusiness

option (they could have lent all 13 per cent for agriculture if they had wanted). Lending for farming has been more difficult.

This year's alternation indicates a broader definition of the problem, since banks are now allowed to include rural industry in their lending. This recognizes that the problem is rural incomes as distinct from farm incomes alone and is consistent with the drift of the Sixth Economic and Social Development Plan, which also emphasizes rural industry. But it also implies a lack of confidence for agriculture in the present climate.

Total commercial bank deposits (including branches of foreign banks in Thailand) came to about 600,000 million baht at the end of last year. The 20 per cent target would mean 120,000 million baht to be lent to the rural economy, but 14 per cent can go to agriculture and rural industry provided no single borrower gets more than three million baht, and the remaining 6 per cent can go to agribusiness, which includes rice mills.

Actual commercial bank lending under the requirement has been running at over 10 billion baht short of target in the past few years. In 1984, the target was 64,381.3 million baht but actual lending under the heading came to 54,190 million baht, 10,191.1 million baht. In 1985, lending was 10,685 million baht short of the 75,443.9 million baht target and last year it was 11,112.8 million baht short of

Year	Farm credit		Agribusiness credit	
	% of deposits	million baht	% of deposits	million baht
1975	5*	4,333.3	—	—
1976	7	6,139.0	—	—
1977	9	9,647.0	—	—
1978	9	11,771.0	2	2,616.0
1979	11	17,322.4	2	3,149.0
1980	11	19,208.7	2	3,492.5
1981	11	23,649.3	2	4,299.9
1982	11	28,293.7	2	5,144.3
1983	11	35,330.0	2	6,423.5
1984	11	44,340.9	2	8,062.0
1985	11	53,819.5	2	9,785.3
1986	11	63,775.6	2	11,595.6

\*For 1975, per cent of lending

NOTE: Commercial banks had to fulfil the minimum obligation for farm credit. The remaining 2 per cent (1978-86) could be for agriculture or agribusiness, but banks usually find agribusiness easier to lend to.

the 75,371.1 million baht target.

The latest change recognizes an inflexibility in the original requirement which also obligated banks to relend 60 per cent of deposits in the localities where the deposits were made. The Bank of Thailand says different localities have different credit and deposit needs. The obligation is now on a region-basis.

Chavalit Thanachanan, deputy governor of the Bank of Thailand, predicts that in the next two or three years the commercial banks will be able to adjust their lending policies so that they will not have to deposit much with the BAAC. That, he says, might cause the BAAC to run short of funds. If it cannot find the required deposits, then BAAC bonds might have to be issued, Chavalit says.

Chavalit's prediction is not supported by some commercial bankers. Krasae Phangkanont, Bangkok Bank's agricultural credit manager, says the likelihood of the BAAC running out of funds is remote. He prefers to question whether the new 20 per cent target is too high.

For his bank, an additional 7,533.2 million baht has to be lent for farming and rural industry compared with farm credit extended last year. He predicts it will be a hard task with the Government encouraging reductions in acreage, even with the expanded definition to cover lending to rural industry.

The bank's present statistics categorize lending to rural

industry as "below five million baht." Present lending in that category is about 6,000 million baht, but only some of it is eligible for the Government's classification which sets an upper limit of three million baht. Krasae estimates that the bank might have lent 2,000 million baht to borrowers within that limit, considerably short of the 7,533.2 million baht extra needed to be lent this year.

Krasae says the Bangkok Bank will have to increase its lending to agribusiness and mills by 5,016 million baht. He expects lending to mills to increase by no more than 2,000 million baht, which would mean 3,000 million baht for other agribusiness. But his estimates are still preliminary.

The Thai Farmers Bank also says it worried about the increase in the obligation to finance the rural sector. The bank is already considerably involved in financing mills, however, and this area is of less concern to it.

Nevertheless, the BAAC is worried that it will have to take even more money from the commercial banks. Following discussions with the Bank of Thailand, the BAAC says it is unlikely that the commercial banks will be able to fulfil the 14 per cent target even though it now includes loans for rural industries. The greater the commercial banks' target shortfall, the more they have to deposit with the BAAC.

Last year, the BAAC refused

to take all of the credit the commercial banks failed to extend to agriculture. With liquidity in the market high and interest on its loans low, the bank did not know what to do with all the money.

The BAAC's aim is to be as independent as it can and to rely less on commercial banks' money deposited with it. In 1983, commercial banks' deposits with the BAAC came to 40.94 per cent of the bank's lending. This fell to 39.11 per cent in 1984, 37.94 per cent in 1985, and 36.39 per cent in 1986 — about 10,685 million baht. The BAAC wants to keep the figure falling.

The BAAC's money also comes from the public's deposits (19 per cent or 5,548 million baht), from its capital fund (9 per cent or 2,624 million baht), from borrowing usually soft loans (22 per cent or 6,369 million baht) and from other sources. Total lending is 29,595 million baht.

But while it faces high costs in making sure its lending to farmers is secure, it is always under political pressure to lend at low interest rates.

Chamlong says the bank will not try to compete with commercial banks in the urban market for deposits. But it has a growing network of rural branches often in locations where the commercial banks are not represented, and these can serve to attract deposits.

The law also allows the BAAC to sell bonds to the public in order to raise funds, but Chamlong says the time is not yet right. To do so now would require offering a high rate of interest which would add to the bank's cost of funds. But in the future a bond issue could be possible, he says.

Asked about the allegations that commercial banks' rural credit is not always used for farming, a central bank official argued that so long as the money was going to rural people, it was fulfilling its purpose.

There is some sympathy for that view among academics who have studied the whole rural credit market, including the non-formal market that charges considerably higher interest rates. Once a farmer's income is mixed with borrowing it is difficult to tell whether a particular baht spent on a novice's ordination comes from income or from borrowing.

But the central bank official said some control is exercised to make sure that the money is not used for purposes completely different from the rural credit objective.

# RISING UNEMPLOYMENT UPSETS PLANNERS

Bangkok THE NATION in English 19 Jan 87 p 39

[Article by Pornpimol C, Palanupap]

[Text]

**L**ABOUR Department statistics showed that 30,854 employees were laid off last year, but the figure may just be the tip of the iceberg. There were probably more people who have lost their jobs and joined the ranks of the unemployed which were not reported. Nevertheless, the number was still much lower than the 1985 figure of 51,402.

The lower number of employees laid off might somewhat reflect the country's economic trend. It is believed that the economy is on the way toward a faster rate of recovery leaving behind the bad experience of a long recession. This still does not include the agricultural sector in which farm prices remain in a slump.

The statistics, still to be released by the Labour Department, were compiled after the prime minister instructed the private sector to provide data on worker layoffs which will benefit analyses on the country's economic situation.

But some private firms have not reported the layoffs as they did not want to undergo mumbo-jumbo procedures. "If we informed the department, officials would persuade us to change our minds. We sympathize with the hardships of those about to lose their jobs, but we have to think about our survival as well," says a business operator hard pressed to reduce the number of workers following unfavourable business results.

Some laid-off workers still are looking out for jobs. Labour officials

admit that the actual number of workers who have lost their jobs would be much more than reported to the department. "We also discovered by chance some cases of worker layoffs. It also means that unemployment will continue to be a big problem for the country," they say.

Midweek talked to many employers, some of whom say they do not want to report about the layoffs to the department because their operations are not big. Besides, the officials would want to have a lot of data.

Large firms say that there was no secret in worker layoffs and reports were duly filed with the Labour Department. They do it just to be in accordance with the law and to avoid litigation resulting from labour disputes. "Besides, we have complete evidence in case there are problems which need the ruling of the Labour Court," one executive says.

There were 1,071 firms which reported layoffs last year. Their actions were mainly due to necessity. Of the total, 692 firms dismissed the employees because they had to close down and 12,141 employees lost their jobs, of which 11,566 were low-pay workers. Only 692 persons were part of the administration.

Labour officials say that most of the workers who lost their jobs were from factories and companies in Bangkok. The layoffs due to business closures accounted for 39.35 per cent of the total last year.

The second category of lay-offs is production cutback by manufactur-



ing companies and this accounted for 35.4 per cent of the total. The number of workers under this category was 11,922 as reported to the authorities. They came from 139 factories, but only 10,832 were in production and 90 in administration.

This category of laid-off workers was in the provinces. This was a complete contrast from the situation in 1985 when there were 992 factories cut back production and dismissed 28,653 workers. This was on top of all categories of lay-offs in that year.

The next category was temporary closure of factories. Last year, it accounted for 23.9 per cent of the total, equivalent to 7,377 persons. They were from 224 manufacturing companies, comprising 7,217 unskilled workers and 160 administrative staff members. The number of temporary closures in the provinces and Bangkok was equal at 112, but there was a higher number of workers laid off in Bangkok under this category.

Others laid off by employers were due to the expiration of employment contracts. This accounted for only 1.35 per cent. The statistics showed that 16 firms had to let go 414 workers under this category, mainly in Bangkok.

Labour experts say that the economic recession in the past few years also caused a smaller growth in new employment. This was also the closures of business firms which failed to survive economic difficulties.

Reports show that business closures last year were mainly due to financial problems and serious liquidity. Some borrowed too much from financial institutions and engaged in hire-purchase business. When their clients fled because they could not keep up with the installment payments, the business

operators were in trouble. When they could not repay loans, they had to sell their business or close down.

Consecutive operating losses were also responsible for business closures. The reports say that business operators chose to go out of business because they feared that the debt would be larger and faced the risk of bankruptcy lawsuits from creditors.

The reports show that most of the firms closed down were small, hiring less than 10 employees. Less than 100 firms were large industrial plants.

Loss of jobs due to production cutback came first in 1985. These mainly occurred in large factories hiring more than 100 workers. The minority of this category was small and medium-sized firms.

The industrial sectors which saw a high rate of dismissals were from food and beverage manufacturing, followed by factories producing textiles, garments, leather, wood products and furniture. The rest comprised wholesale and retail businesses.

The mining sector also accounted for a large number of worker layoff when there was price slump for tin, and other mineral products.

Labour officials say that the lower rate of worker layoffs last year was due to lower oil prices, electricity rates, and interest rates which stimulated the sluggish economy.

Increased exports due to the weakening of the baht value due to the appreciation of the currencies of major economic powers such as Japan and West Germany helped delay the layoffs.

Despite the promise for a better economic performance this year, the number of workers laid off may go up if more private firms heed the call of the prime minister to submit the list of those losing jobs for compilation.

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CSO: 4200/363

## FARM PROFITS CONTINUE TO DECLINE

Bangkok BANGKOK POST in English 14 Feb 87 p 2

## [Text]

Ayutthaya — Farmers in this province of the Central Plains — the country's rice bowl — are turning to other crops or looking for other jobs because, they say, it is no longer profitable to grow rice, even on their own land.

Mrs Turian Ruangbuppha, a 60-year-old farmer in Tambon Ban Kwang, Maharat District, said her 13-rai fields yielded only five kwien of paddy (a kwien equals one metric ton). The grain, harvested in January, still remains in her barns because she knows she would get no more than 2,300 baht per kwien.

But Mrs Turian said she still considered herself lucky since she did not have to pay for fertilisers. The woman uses the technique of rotating crops to fertilise her land.

Mrs Turian said she would switch to corn the next planting season be-

cause she could no longer afford losses.

The woman added that all her children had already turned their backs on rice farming and left to look for jobs in Bangkok.

Maharat District was once very famous for its fertile rice land. Now more and more farmers in the district are turning to other crops, she said.

Chao Thongchart, 38, said this year he earned 13,800 baht selling six kwien of paddy from his 30-rai land in Maharat. But he said his net profit was only 5,480 baht since

the costs of pesticides, ploughing, threshing and transportation amounted to more than half of his earning.

Chao said the highest offer for a kwien of paddy in his area was 2,300 baht.

Maharat farmers do not favour the idea of using their paddy as collateral for loans from the Bank for Agriculture and Agricultural Cooperatives because they are required to have their own barns for paddy storage to prevent moisturisation. They also get only 80 per cent of the real

value of their paddy in loan which they have to pay interest for.

"So farmers here like to sell their crops to rice traders right away," said Chao.

Many Maharat rice farmers have switched to fruits and beans. Some are thinking about raising cattle.

The rice fields of Maharat District have never been reconditioned for higher yield. But the farmers said even if this had been done, it would not have been worthwhile because paddy prices are now too low.

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## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

### CAMPS' DEPENDENCE ON THAIS, LACK OF NATIONAL IDENTITY SEEN

Bangkok BANGKOK POST in English 15 Feb 87 p 3

[Text]

**Site 2** — Children seem to be everywhere in the Kampuchean refugee camps: Two-year-olds toddling naked near bamboo huts, T-shirted pre-teens dashing down dirt paths in swirls of dust.

The disproportionately young Kampuchean refugee population — about 25 per cent of camp inhabitants are under five years old — has aid officials worried, as world politics threatens to prolong the children's stay in the camps.

"We are more and more thinking of the possibility of these people being on the border for a long time," one Western aid worker said.

Babies are being born at an unusually high rate in the camps, to adults whose ranks were decimated during the bloody reign of the Khmer Rouge in Kampuchea from 1975-1979 and the exodus from the Vietnamese occupation since 1979.

The population growth rate in the camps is about five per cent a year, or twice the rate in most Southeast Asian nations.

The children are well-fed in the camps, but forbidden to leave. And while youth symbolises hope, it might turn to despair in these camps of asylum, aid officials said.

"Are the camps so great?" one official said. "Ask in 10 years' time. Today's kids might not think so. We may be grooming the next generation of Palestinians."

"Will they be blowing up airplanes in Bangkok airport 10 years from now to draw attention to their plight? You already do have splinter bandit groups," the official said.

A total of 267,000 Kampuchean refugees live in eight camps along the border. Most of them fled into Thailand in 1985 when Vietnamese troops drove the Kampuchean resistance from its

bases just inside Kampuchea.

Thai authorities refuse to consider hosting them as anything but a temporary solution. They call the Kampuchians, installed in sprawling sites of bamboo huts, occasional trees and red dirt, "displaced persons" who are ineligible for resettlement to third countries.

The Kampuchians are banned from leaving their barbed-wire confines, even to visit nearby Thai towns. Their only way out is to return to Kampuchea.

Bangkok limits educational and other social possibilities to keep the Kampuchians from nurturing the hope of settling permanently in Thailand.

Frustrations are expected to grow, officials said, especially since the United Nations Border Relief Operation has helped the Kampuchians achieve a relatively comfortable, malnutrition-free life.

Indeed, the dependency attached to such assistance is believed to be part of the problem.

The social needs of this burgeoning population are clearly in conflict with the political imperatives of Thai policy, Western and Thai officials said privately.

On January 1, Thailand closed its last camp for resettling the Kampuchians in third countries, claiming that Western countries have wearied of the refugee problem, now more than a decade old.

### FINAL OUTPOSTS

Thailand backs the Kampuchean, anti-Vietnamese resistance and wants the refugees in the remaining camps to concentrate on the resistance struggle. Camps like Site 2, where 150,000 Kampuchean nationalists live, are considered final outposts.

This political tack calls into question

the ability of the refugees to prepare their children for the future, officials said.

Education in the camps is limited to the primary level.

In the Site 8 camp, which holds 33,000 refugees affiliated with the Khmer Rouge, school official May Mann said: "We have a primary school, 5,000 children from five-and-a-half years old to 17. Some do technical studies by themselves in the camp like fixing radios, engraving."

"We don't have a secondary school, even for such training. We have asked the UNBRO to get permission from the Thais for us to have technical classes, but the Thais say no."

A high-ranking Thai border source explained: "Our policy is to let them have enough education to learn how to survive along the border. The rest has to be done when their country has been pacified."

"We pay attention to security problems rather than the social situation. We do not have enough of these facilities to offer even our own people," he said.

A senior Western aid official thinks this is a major mistake. "That the Thais won't educate them is a sign of their shortsightedness. They should make them appreciate Thai hospitality."

"The Thais should cultivate them, take advantage of their presence here, make them into a fifth column supporting Thai policy," he said.

Alienation is a problem. The refugees are either born out of touch with their homeland or are losing touch with it through years of exile.

"Our children under 10 years old, if we ask where were you born, they say something like Quarter 4, Section 7. Where is your country? Site 2 south," said Ung Yok Khoan, head of the Khmer Women's Association in the southern half of Site 2.

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DISPIRITED REFUGEES, PROBLEM-PLAGUED KPNLF TROOPS VIEWED

Bangkok THE NATION in English 20 Feb 87 p 6

[Article by Jacques Bekaert]

[Text]

Site B — They arrived at Site B on a Sunday afternoon. Eighty of them, a few men, but mostly women and children. They are now resting in the shadows. Tired. They have just walked more than 50 kilometres in two days. With babies and battered cooking utensils. For them the war is over — at least for the time being. They come from Samrong district, in Oddear Meanchey province. They left, because "the Vietnamese are too heavy, they want too much." The woman who speaks for the group must be in her early forties. She looks strong, she is not afraid. Dark hair, an old "sampot." She must have seen too many battles, too many armies, too much oppression.

"The Vietnamese ask for everything. If we do not give it, they take it. For the rice they take according to production. But they leave us with very little." The authorities of the People's Republic of Kampuchea, in Phnom Penh, are trying to collect rice as a kind of tax. They are also worried that extra rice will feed the resistance. It is logical, but their logic does little to win the affection of the peasants. Logical also that they insist on building fences around villages. And of course, the villagers resent this forced labour, resent the obligation to get a pass from the president of the village committee to go from one town to another.

The woman explained that people are organised in groups of 10, and each group is supposed to

deliver five 100-kilogramme sacks of rice after every crop.

Men of the age of 16 to 35 are expected to join the PRK's armed forces. Conscription has never been popular, anywhere in the world.

Last year close to 900 people — mostly from Battambang, Siem Reap and Odder Meanchey, came from inside Kampuchea to Site B. Access is not very easy. The way to the border is dangerous. Nevertheless more people will certainly leave Kampuchea this year as frustration mounts. But at the same time Khmers settled at the border will go back to the interior. As it has been happening in recent months within the ranks of the Khmer People's National Liberation Front armed forces. There have been a lot of rumours in Bangkok during the past few weeks about huge "defections" of KPNLF troops in every direction. According to reliable sources, there has indeed been a lot of departures. Mostly toward civilian life. Soldiers demoralised by the continuous power struggle inside the nationalist group (little if anything has been really solved since the dissidence burst into the open in December 1985) are getting rid of uniforms and weapons. They try to resume a "normal" life either at one of the border camps, or by going back to Kampuchea. Some have joined the Heng Samrin army but most of them have simply gone back home and only want to be left in peace.

It is true though that civilians and soldiers from the KPNLF zones have recently gone to the Sihanoukists. More than 600 civilians have arrived at Site B from Site 2 since October last year. A group of about 50 people arrived almost at the same time as the peasants from Odder Meanchey. They had walked almost 10 days. Mostly at night. On the way they met some "bandits." "They spoke in Khmer," explained one of the newly arrived woman. "They asked for money. If you had no money then they took clothes, or jewels."

Why leave Site 2? Few people complained about life at their former camp. But many say "they want to be with Samdech Euv" (Prince Norodom Sihanouk). They claim that many more would come here if they could.

Soldiers from the KPNLF too — over 300, mostly from battalion 1305 — have arrived recently at Site B. They are settling down away from the main camp. Not everybody in the ANS is enthusiastic. They are afraid some may accuse them of "stealing" troops from another faction. It may take some time to integrate them into the Sihanoukist army. Their weapons were in "terrible shape," an ANS source said.

Observers usually agree that Site B is one of the best camps along the border. It is becoming a rather large city. It started in 1981 with a modest 850 people. In 1982, following a visit by Prince Norodom Sihanuk to Khao I Dang, almost 14,000 people joined the initial group. The camp, which has been forced to move several times due to attacks by the People's Army of Vietnam, had, by January 1, 1987, a population of 45,094 people. The leaders of the camp are at present worried about a possible new relocation. Apparently nothing has been decided yet. Such relocations are expensive — more than US\$2 million — and traumatic for people who have been "on the road" for so long. More than 10,000 families are today located in 20 sections. The soldiers of the ANS, most of them away inside Kampuchea, only come back for week-long visits to their wives and children. No weapons are allowed in the camp. A good camp, yes, but of course the vast majority of the men and women of Site B hope to be able one day to go back to Kampuchea. They never call it "Kampuchea" when they speak in French or English. Right now, Kampuchea is still a dream. A promised land.

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CSO: 4200/362

UN OFFICIAL WANTS VOLUNTARY REPATRIATION, MONITORING

Bangkok THE NATION in English 19 Feb 87 p 2

[Text]

A TOP UN official last night suggested that a voluntary repatriation of displaced Kampuchians be started now by allowing refugees from Khao-I-Dang holding centre to return to their homeland.

Tatsuro Kunugi, the outgoing special representative of the UN secretary general for coordination of Kampuchean humanitarian assistance programmes, said the refugees from Khao-I-Dang which is being closed by the Thai Government should have their chance to exercise their own will.

Kunugi told members of the Foreign Correspondents Club of Thailand (FCCT) that there are some Khmer refugees in Khao-I-Dang who want to return to their country when they are moved to border encampments.

The Thai Government is closing the camp in Prachinburi Province and planning to move the remaining 22,000 Khmer refugees there to encampments along the Thai-Kampuchean border.

He said the voluntary repatriation should be explored as soon as possible otherwise it will become more difficult in the future.

However, he said that so far the parties concerned could not agree on the implementation.

He said three factors must be guaranteed before the realization of the programme: voluntary nature, safe passage for the Khmer's returnees and a mechanism to monitor how they are treated in Kampuchea.

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TOURISM TO BE DEVELOPED, SITES DISCUSSED

Vientiane KPL NEWS BULLETIN in English 16 Jan 87 pp 5, 6

[Text] Phnom Penh, 15 Jan (SPK)--Among the multiform development in Kampuchea, tourism has resumed its activities after over a decade of war and destruction.

Reestablished in June, 1983, Kampuchea tourism with in-ruined visit until late 1986 that, with material and moral assistance from the Ho Chi Minh tourist service, a programme of visit, the visit of Angkor Vat temple included, was elaborated,

Touring the capital city of Phnom Penh, foreign guests can visit places of historical significance such as the national museum, the former royal palace with its royal treasure, the emerald pagoda or generally called the silver pagoda rebuilt with lining marbles from Italy in 1962 in respect to its old style, the Tuol Sleng museum of genocide built soon after the country's liberation of 7 January 1979 with photos, documents and objects, illustrating Pol-potists' barbarity.

The programme also enables the guests to visit Tonle Baty at Baty district, Takeo province, some 80 km south of Phnom Penh, where stands a 12th century monument called "Ta Prom." In the monument, represents the sleeping buddha, and some other lintels lying on the ground represent the previous life of lord Buddha. One can also see the images of Devada (the goddess) of the same style as those in Bayon, and the statue of Lodesvara. The temple was elected in favour of a character named "Ta Prom."

By mid-December last, Kampuchea tourism received two groups of tourists from "Orbitours" consisting of Japanese, French and Australian tourists. This year tours have been planned for groups of tourists from Vietnam-FRG friendship association, "Orbitours," "Fuji International Travel" and "Intourist Soviet" the visitors will be accommodated in "Monorom" hotel, the "Cambodiana" hotel. Other hotels have not yet been restored because of financial problem. But the restoration project of the former "Khemara" hotel, funded by Hungary, has been worked out.

With aid from Ho Chi Minh City, Kampuchea tourism has restored and put into service the ancient restaurant "La Lune" now "Friendship" for foreign guests. The restaurant staffed by ancient cooks of "SOKHAR" (Societe Khmer des Auberges

Royales) has become known again with its most delicious Asian dishes of about 160 kinds such as duck lemon soup, fried elephant fish, fried shrimp balls, spiced crabs, riyer lobster ball grilled, mixed salad, etc....

In touristic sites, the Kampuchea tourism plans to set up a riverbeach at Koh Norear, Meanchey district, in a southeastern suburb of Phnom Penh, and to prepare the "Beng Kok" lake situated in the middle of Phnom Penh for water skiing. Touristic sites in Kampot and Kep, Kampot province, 150 southwest of Phnom Penh, have also been planned in the programme.

According to a former cadre of the "SOKHAR" society, the Angkor land is always a "must" for overseas tourists. In the 70's Kampuchea tourism culminated with some 250 to 300 foreign visitors a day.

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## LE TRONG TAN COMMENTS ON MILITARY SCIENCE

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Nov 86 p 6-19

[Speech by Sen Gen Le Trong Tan, a member of the VCP Central Committee and Chief of Staff of the Vietnam People's Army, at the Third National Military Science Conference: "On the Military Science Work at Present"]

[Text] After 3 days of working urgently and with a strong sense of responsibility, today our military science conference concludes. You have unanimously approved the final report of the Ministry which evaluated the results of the military science work during the past 5 years, on the major lessons that have been learned, and on our army's military science work during the 1986-1990 5-year period. In the course of studying documents and expressing opinions in the assembly hall, you have contributed many opinions to supplement the Ministry's report. Because the conference is limited with regard to time, some comrades have not had an opportunity to express their opinions. I recommend that they submit their suggestions to the conference's secretariat. The Military Science Department will be responsible for synthesizing the opinions contributed at the conference and for studying and supplementing the Ministry's military science work plan. On behalf of the Minister and the conference's presidium, I ardently applaud for enthusiastically participating in the conference and contributing to its success all comrades and delegates who attended the conference and those comrades who served the conference.

During the conference the basic concerns of the military science mission for the coming period have been clarified, so today I will only express some additional opinions on three matters:

1. On the basis of the revolutionary situation and missions, clearly realizing the requirements and missions of the military science work.
- 2, Attaining deeper knowledge of the role of the military science work and heightening responsibility toward that work.
3. Firmly grasping Marxist-leninist methodology and more fully understanding the practical viewpoints and the developmental viewpoint of the military science work.

I. On the Basis of the Revolutionary Situation and Missions, and the Military Missions, Clearly Understand the Requirements of the Military Science Work

As stated by our party, in future years our country's revolution will continue to develop against an international background of basic advantages but also many complicated developments.

The world situation will, in general, will continue to be in a state of hostility and tension, interspersed with limited and temporary detente.

In Southeast Asia, the Chinese expansionists and hegemonists, in league with the U.S. imperialists, continue to pursue their basic, long-range plan to weaken, and eventually conquer and annex, the three Indochinese countries, in hopes of transforming that peninsula into a staging area for expanding into Southeast Asia. China is now promoting cooperation in many regards with the United States, Japan, and the Western countries to carry out its "four modernizations" in hopes of rapidly becoming a superpower sufficiently strong to compete for world hegemony. China's basic foreign policy is still to ally more and more closely with the United States and the other imperialist nations, while using a strategy of exploiting all kinds of contradictions, especially those between the two opposing social systems, for their selfish national interest. They are endeavoring to win over the Third World, improve relations with all socialist countries, and are implementing a two-faced policy of both opposing the Soviet Union and normalizing relations with it to increase trade, import technical equipment, and divide the community of socialist nations.

With regard to Vietnam, the policy and strategy of China have not changed. They are continuing to step up military pressure and are continuing to carry out a border encroachment war and a multifaceted war of destruction by many increasingly insidious and sophisticated schemes, etc. They are continuing to support the troop remnants of Pol Pot and the reactionary Khmer forces against the Cambodian revolution, and are continuously promoting sabotage activities against the Laotian revolution. They are continuing to engage in ugly acts to divide the solidarity and alliance of the three Indochinese countries and separate them from the Soviet Union and the other socialist countries. They are sabotaging the trend toward reconciliation and are poisoning the atmosphere of dialogue that has begun to appear between the Indochinese countries and the Asian countries. Perhaps in the future, if the people of the three Indochinese countries continue to defeat their schemes, and if the situation in China and the world so dictate, China may be forced to change over to carrying out a policy of detente. We are ready to enter into a dialogue with China to bring an end to the atmosphere of hostility and resolve matters of mutual concern to both parties. On the other hand, we will always keep up our guard and be prepared to respond to all bad situations that may arise.

In general, in future years the developmental tendency of the situation in the three Indochinese countries will continue to be tense and very complicated.

Our people ardently desire peace so that they can build their country. We have often stated clearly to China that our people highly value the

traditional friendship between Vietnam and China. Vietnam and China share common interests in peace, independence, economic and cultural development, and the improvement of their people's living standards. We want to restore normal and friendly relations with China. If China truly desires peace and the improvement of relations with its neighbors, it should immediately end its policy of hostility toward Vietnam and sit at the conference table to resolve the remaining problems in relations between the two sides, first of all to cease hostilities along the border between the two countries to create favorable conditions for normalizing relations between them.

From that analysis, it can be seen that in future years our country will continue to exist in a situation of both being at peace and having to cope with the enemy's border encroachment war and multifaceted war of destruction, while also being prepared to cope victoriously with a large-scale war of aggression.

Our people must continue to firmly grasp and victoriously fulfill the two strategic missions: successfully building socialism and solidly protecting the socialist Vietnamese fatherland. Those two missions are closely related to each other and created conditions for each other to develop, to enable our country to advance strongly in all respects and in all situations. From the two strategic missions of the revolution, while placing in the forefront the mission of building socialism, it may be seen that the common mission of our soldiers and people in the future will have the following principal contents:

Bringing into play the combined strength of our populations, and coordinating closely with Laos and Cambodia, we must resolutely defeat the enemy's border encroachment war and multifaceted war of destruction, while strongly defending the border and independence of the fatherland, and maintain political security and social safety, while at the same time fulfilling our international obligations toward the Laotian and Cambodian revolutions and creating more solid status and strength for the revolutions in the three Indochinese countries.

Endeavoring to bolster national defense by all the people, build a strong strategic rear area, promote the building of a national defense industry system, strengthening the nation's defense posture, and being prepared to defeat a large-scale war of aggression, should the enemy start one.

Endeavoring to improve the over-all quality of the people's armed forces, including main-force troops, border defense troops, local troops, and militia and self-defense forces to ensure the good fulfillment of the mission of defending fatherland, and the production labor, economic construction, and international obligation mission.

We must understand the political and military missions of the revolution in order to clearly determine the future goals of the military science work. During the next 5 years all efforts of the military science work must concentrate on and effectively serve the victorious fulfillment of the party's political and military missions. That is a matter related to the principles and viewpoints of our military science, and is also the principal criterion in evaluating the quality and effectiveness of the military science work. On the

basis of fully understanding the party's line in the period of building and defending the socialist fatherland, during the next 5 years we must concentrate on the principal directions, such as:

Closely monitoring the actual situation on the battlefields and intensifying studies to arrive at good solutions for the problems of the construction and defense missions, in order to defeat the encroachment war on any scale and the multifaceted war of destruction waged by the enemy against our country, while also studying the good resolution of problems arising in actual development and combat on the Cambodian and Laotian battlefields.

Carrying out studies to further concretize the party's military line with regard to building and consolidating national defense by all the people, building up the strategic rear area, building up and strengthening the people's armed forces, waging people's war to defend the fatherland and consolidate the strategic and militant alliance among the three Indochinese countries against a large-scale war of aggression waged by the enemy. We must urgently draft a strategy for developing military science and military science and technology between now and the year 2000.

Completing at an early date the recapitulation of experiences of past wars and the preparation of the principal military history projects.

Creating and completing the basic theory system of Vietnamese military science and military technology; tying in the development of military science and technology with military science and art; and completing the preparation and promulgation of the system of orders, statutes, regulations, and rules regarding the army and curricula and textbooks of the students, schools, and units.

Perfecting the system of military science councils and military science organs at all levels and promote the military science and military technology information work. Strengthening management of military science and professionalizing military science activities. Being concerned with cultivating and training a corps of military science cadres to fill the short-range and long-range needs, and study and promulgated policies and regulations regarding the military science work.

The above direction and missions of the military science work must be codified into specific missions and goals, and into specific plans and research topics, which was stated by the Ministry's military science report and approved by the conference.

Within a period of 4 to 5 years--while we will have many major and urgent tasks that must be carried out--we must endeavor to fulfill the military science plan that has been set forth. That is a very difficult mission which demands very great efforts on the part of our cadres.

In addition to enthusiasm and responsibility, there must be good working methods. With regard to working methods, it is necessary to pay attention to carrying out truly rational division of labor and decentralization, from research, compilation, and approval to promulgation. A single organ or

echelon, no matter how skilled, can carry out such an "imposing" volume of research topics. There must be a truly rational decentralization of research topics to all forces, from the organs and sectors, the Ministry, and the military regions to the combat arms, corps, academies, and schools, to the units, in order to bring into play the intelligence and ability of the entire army.

On the basis of the opinions contributed at the conference, we must carefully review the research and compilation projects included in the plan, to enable the plan to reflect very correctly and accurately our actual capabilities and ensure that the goals of the plan are attainable. We must avoid the situation of plans being set forth but never being fulfilled and no one being held responsible.

In carrying out the military science research work under actual situation of our country and army at present, it is necessary to resolve the relationship between the basic, long-range matters and the specific, immediate matters. On the basis of fully understanding the party's military line in the period of building and defending the socialist fatherland, there must be a plan to cleverly combine the basic, long-range matters with the specific, immediate requirements of each unit. It is necessary to realize that there is always a close relationship between the basic, long-range matters and the specific, short-range matters, among which the basic, long-range matters play the dominant role and serve as the foundation for resolving the specific matters. For example, at present we military line for the period of building and defending the socialist fatherland, if we are tardy in concretizing that line and in studying and resolving problems related to military strategy, obstacles will be created for studying and resolving such specific problems as campaign art, strategy, etc.

Furthermore, the task of improving the over-all quality of our army cannot be carried out well if we do not fully understand and creatively apply the army's principles regarding the armed forces. Therefore, we must pay much attention to studying the basic matters, especially those related to concretizing the military line and to the viewpoints and principles regarding all activities of national defense, war to defend the fatherland, building up the people's armed forces, military art, military science and technology, etc., to serve as a basis for studying the specific, immediate problems. Of course, such specific, immediate problems as those posed in combat against the enemy's border encroachment war and multifaceted war of destruction, the organization of troops, strengthening discipline, etc., have their own requirements which can be fulfilled only by investing effort in studying them, but they must be closely related to the basic problems that have been affirmed.

With regard to the military science mission for the next 5 years, I would like to talk frankly with you regarding the heavy responsibility of our generation of cadres.

As you know, at present there is occurring in the leadership apparatus of the party and state, as well as our army, a change of guard between the older generation of cadres and the younger cadres. Most of the high-ranking leadership cadres of our army have been with the People's Army since its

founding and have undergone long-term steeling in our nation's great revolution and revolutionary war for independence, freedom, and socialism, have accumulated much experience, have a good deal of rich military and political knowledge, etc. However, those comrades are advanced in years, are becoming weaker, and will gradually retire, one after another. As bamboo grows older, new shoots emerge. It is inevitable and proper that cadres who have served for many years in the army, and are now advanced in age a weak, should retire so that young cadres can replace them. That succession within the ranks of cadres has placed on the shoulders of our high-ranking cadres now on active duty a very difficult historical responsibility. That greatly increases the important significance of the scientific-technical work planned for the 1986-1990 5-year period for two reasons:

First, most of the projects of the current 5-year plan has the significance of laying the foundation for modern Vietnamese military science theory in the period of building and defending the socialist fatherland.

Second, during that 5-year period, if the cadres on active duty, who have military experience and knowledge, do not complete or do a good job of the projects that have been set forth, the succeeding generation of cadres will encounter many difficulties.

All of our cadres must clearly understand their great responsibility and noble honor in that very important historical period, make all-out efforts, and contribute as effectively as possible to laying the foundation for modern Vietnamese military science theory. I think that it would be a crime against the nation and the people, and against the future generation, if during that historic period we would allow military experience and knowledge--a priceless heritage of the nation and a crystallization of the intelligence and sacrifice of countless generations of Vietnamese who sacrificed their lives in combat--to be lost, and not incorporate them into scientific theory to serve the enterprise of defending the fatherland in the future.

## II. Understand More Fully the Role of Military Science and Strengthen the Sense of Responsibility of All Sectors Toward That Work

We have happily observed during the present military science conference a new transformation among the army's cadres with regard to the role and use of the military science work. In the actual course of development and combat, and in the course of successes and at times missteps, our cadres realize more and more clearly that today, in order to do a good job of resolving any activity, or any basic problem of the army's development and combat, research and the role of military science are indispensable. As Lenin long ago taught the Soviet Red Army, "Without science we cannot build a modern army."<sup>(1)</sup> President Ho Chi Minh at an early date introduced our army to that truth, in a letter he sent to QUAN SU TAP SAN (the name of which was later changed to QUAN CHINH TAP SAN, the predecessor today's TAP CHI QUAN DOI NHAN DAN) in 1984: "Practice Without Research is Often Blind." The actual situation during the past 5 years in the Ministry as well as in the organs and units, wherever the party committees and commanders are have correct knowledge of the role of military science and realize that it is a very important element in ensuring the victorious fulfillment of the missions of the organs and units, on the

basis of which to closely guide that work, military science will play a very good role and ensure that the organs and units fulfill their responsibilities well and avoid unnecessary groping and missteps.

In recapitulating the present conference, we also clearly realized that in order to further develop the effectiveness of our army during the coming period, we must more closely combine recapitulating the experiences of past wars and the writing of military history with the research and development of the present military science problems, as well as combining military science and technology with military science and art. We must recapitulate the experiences of past wars not simply to understand the past but to use the results of researching the past to illuminate and serve the research and development of military science matters at present and in the future. That is a dialectical relationship between the old and the new, between succession and development. Therefore, military historical science and military science must always be closely combined. Military science and technology must also be closely combined with military science and art. Because the primary objects of service of military science and technology are the requirements of the missions of military art and military science. Of course, military science and technology play a dynamic role and further the development of military science and art. That is a manifestation of the relationship between technology on the one hand and politics and the military on the other hand.

Thus it is clear that those combined relationships are an objective inevitability in scientific activities. Under the actual circumstances of our army, the military missions are complicated, there is a large volume of work, time is very pressing, and our research forces are limited, so the close combination of military science, military historical science, and military science and technology has an even greater significance with regard to the victorious fulfillment of the military science missions during the next 5 years.

Although such progress has been made, we must strictly point out that that progress is not yet strong and uniform in all organs and units. In a considerable number of organs and units there exists the situation of the party committees and commanders not yet truly pay attention to the military science work, and do not yet regard military science as a direct combat mission and lack concern for guiding, and perfecting the organization of, the military science organs, so the quality and effectiveness of the military science work are still limited and do not meet the requirement of the mission. Therefore, so that the development of military science can keep up with the requirements of the mission, a matter of foremost importance is that we must continue to bring about a strong transformation in the cadres' consciousness of military science. The leadership and command echelons must pay adequate attention to military science and regard it as one of the central, permanent missions. The commander of a conventional people's army with an increasingly higher level of modernity must be very strict on himself and must gradually create for himself the custom of studying--by himself and by the military science organs and the relevant organs--before carrying out a task, so that all decisions and plans can have solid theoretical and actual bases. He must avoid working methods based on sentiment, on personal experience," or on shallow ideas which suddenly appear in the mind of the

commander, which would result in hasty decisions without scientific bases. If he does so, he cannot avoid taking a round-about way and may easily make mistakes, which often must be paid for dearly, even by flesh and blood.

Correct understanding of the role of military science must be manifested by means of specific actions in all spheres: leadership and guidance; perfecting the organization of organs and building up and cultivating the ranks of military science cadres; and providing everything necessary for the military science activities.

In all of those spheres of military science activity, as pointed out by the Ministry's final report, during the past 5 years, although we have encountered many difficulties we have made all-out efforts to do many things, but have also had many deficiencies.

First of all, in the various aspects of military science activities, it is necessary to pay attention to doing a good job of resolving problems of leadership and guidance.

Having gained experience during the past 5 years, we must endeavor to implement well and on a permanent basis, the guidance mechanism for military science work: the party committee leading leads, the commander provides direct guidance, the military science council serves as an advisor, the specialized military science organ serves as the hard core, and the collective intelligence of cadres of all echelons and sectors is brought into play.

If we do a good job of implementing that mechanism for guiding the military science work, we will be able to bring into play great combined strength in order to improve the quality and effectiveness of the military science work at each echelon and throughout the army.

With regard to methods for leading the military science work, all-out efforts must be made to fully utilize the good experience of the past, especially the lessons, "resolutely concentrate forces on the key objectives" and "skillfully guide the completion of all tasks in guiding plan fulfillment." Only if that is done can military science attain specific accomplishment every quarter, half-year, year, or 5 years, thus creating favorable conditions for advancing to fulfilling plans and promptly developed the effect of the research projects.

Second, it is necessary to strengthen and stabilize the organization of military science organs and be concerned with cultivating and training military science cadres.

The matter of improving the system of military science organs so that it can be rational, and building up the ranks of military science cadres so that they can be sufficiently strong to serve as staffs for commanders and serve as the hard core in military science research and management, is becoming a key and very urgent requirement in order to fulfill the missions of the military science work during the next 5 years.



With regard to the system of military science organs at all levels, we must, on the basis of the experience that has been recapitulated over the past 5 years, clearly determine the functions, missions, and titles of the military science organs at all levels, on the basis of which to rationally perfect organization in accordance with the principles of ensuring alertness, efficiency, strength, high effectiveness, and good quality. In that regard, the Ministry has assigned to the Organization-Mobilization Department and the Cadre Department the task of, along with the Military Science Department, studying and reaching agreement on the most rational table of organization to submit for approval by the Ministry. For the immediate future, the Ministry has decided to maintain the present table of organization and not to weaken it. Therefore, while awaiting a new decision by the Military Commission of the Party Central Commission and the Minister of National Defense, the organs above the Ministry, the military regions, the armed forces branches, the the institutes and schools, etc., must immediately strengthen the military science organ at their organ in accordance with the present table of organization, without waiting or hesitating.

At the same time, it is necessary to pay attention to immediately perfecting the military science councils at all levels, especially those of the Ministry, the military regions, the armed forces branches, the corps, the combat arms, the institutes, etc., in order to develop the role of the military science councils in assisting the party committees and commanders guide and manage the military science work and promptly review, publish, and utilize the results of recapitulation and research.

With regard to the organization of military science councils at the Ministry level, we are recommending that the Military Commission of the Party Central Committee and the Minister of National Defense approve an organization plan made up of the following councils:

A Military Science and Art Council.

A Military Historical Science Council.

A Military Science-Technical Council.

In addition, there is a Marxist-Leninist Science Council and the party and political work in the army.

With regard to building up the corps of military science cadres, as we all know, at present that matter is very urgent because we are in a period of transition between old and young generations of cadres. During the next few years, many of the comrades who are now playing key or "hard-core" roles in the military science organs at all levels will, because of advanced age and poor health, retire, before the people succeeding them are fully prepared, especially at the strategic and campaign levels. Therefore, the party committees, commanders, and cadre at all levels must positively take the initiative in drafting plans to build up the ranks of military science cadres at their level, with regard to both quantity and quality, in order to fulfill both their short-range and long-range requirements.

Regulations and policies must soon be drafted to fully utilize and develop the ability of the existing cadres, while at the same time positively adding capable new people to do research work, so that we can immediately have cadre forces to directly assume responsibility for that work. It is also necessary to be far-sighted and positively build up those sources of replacements, in order to have plans for guiding and training cadres to serve the long-range requirements of developing military science.

There must be a plan for training of military science cadres on the job and in schools, and cadres must be encouraged to study on their own. It is necessary to continue to hold annual refresher courses for military science cadres at the High-Level Military Institute, organize correspondence study, and arrange post-graduate training for military science cadres. It is necessary to introduce the study of management and the methodology of military science research into the main curricula of the institutes and schools, and into the supplementary in-serve training curricula for command cadres at all levels to enable them to have the necessary knowledge of the military science work. By carrying out that task well we can considerably increase our army's military potential.

The matter of building up the corps of military science cadres must become a research topic, and the Ministry must assign to the School Department, the Military Science Department, the Cadre Department, and the High-level Military Institute responsibility for studying that matter and submitting a unified plan to the Ministry.

II. Firmly Grasp Marxist-Leninist Methodology, Fully Understand the Practical Viewpoints and Development Viewpoints, and Oppose Phenomena of Mechanical, Imitative Thinking, Conservatism, and Empiricism in Military Science Research and Actual Military Activities.

In the military sphere in general and in the great undertaking the building up of the people's armed forces in particular, in the past, at present, and in the future our party has adhered, is adhering to, and will continue to adhere to the following viewpoint: on the basis of relying primarily on our own strength, we must do a good job of cooperating with the Soviet Union, Laos and Cambodia, and the other fraternal socialist countries, while also expanding solidarity and cooperation with the other progressive nations. In that allied cooperation, exchanges in the sphere of military science always play an important role.

We sincerely research and study the military experiences and military science knowledge of the fraternal nations, especially the Soviet Union, while also sincerely sharing our military science experiences and accomplishments with them. The above-mentioned cooperation and exchange relationship is one of assisting and studying one another with a spirit of proletarian internationalism of fraternal socialist countries in order to enrich military science and military art of the military forces of each nation, as well as contributing to further enriching the military science knowledge of Marxism-Leninism. It may be said that a characteristic of the proletarian revolution after socialism has become a world system and is increasingly playing the role

of being the reliable source of support of the revolutionary forces and the strong bastion against all reactionary plots of imperialism, led by the U.S. imperialists.

In order to carry out those cooperative relations, when we study the military science experiences and accomplishments of the fraternal nations as well as when we introduce our military science experiences and accomplishments to our friends, we must have a modest, sincere attitude and correct viewpoints and methodology. Attention must be paid to guarding against the tendency toward mechanical thinking, conservatism, and empiricism.

Mechanical, imitative thinking refers to the tendency to imitate the experiences of our friends, to want to use the "original" experience of our friends to resolve the specific military problems of our country, regardless of our country's actual conditions. That tendency is entirely contrary to the practical viewpoints of Marxism-Leninism.

Conservatism and empiricism are tendencies which cling tightly to old experiences and want to use the "original" experiences of the past to resolve military problems of the present and future, even if the subjective and objective conditions have changed. Those tendencies are alien to the party's developmental viewpoints.

In both respects, when we study the experiences of our friends or when we introduce our experiences to our friends, both of those tendencies are very harmful and can only lead to failure. Therefore, it is necessary to enable all military science cadres and all command cadres of our army to always firmly grasp and apply well the party's practical and developmental viewpoints in scientific research and in actual activities.

At present, we are facing many new problems regarding the military science theory of the enterprise of defending the socialist fatherland, more specifically in theory regarding the construction of national defense by all the people and building up the people's armed forces, as well as waging people's war to defend the fatherland, etc., against the new enemy aggressors. Therefore, in the process of researching and developing military science and military art, there may arise many new, important problems about which many people initially have many different opinions. That is ordinary in scientific research. When confronted with that phenomenon of many different opinions, especially with regard to many important matters, I believe that we should not be hasty and simplistic, and certainly not hastily interfere or impose ourselves. We must patiently organize scientific activities to exchange, research, debate, and illuminate the truth, and reach conclusions step by step. Then, relying on experimentation under many circumstances and by means of discussion, we must arrive at official conclusions. After reaching conclusions, we must try them out under actual conditions. Only thereby can scientific conclusions approximate the truth. Of course, once conclusions have been reached and have become resolutions and orders, they must be strictly enforced. (People whose opinions differ from the conclusion are allowed to keep their opinions, but they must speak and act in correct accordance with the resolution or order). That is the correct implementation of the principle of democratic centralism in scientific research. In the

military sphere, research to correctly resolve problems related to national defense, people's war, developing the people's armed forces, the military art of people's war, etc., under the specific, distinctive conditions of our country is a very complicated, difficult matter, with regard to which many new problems are continually being posed in the course of actual work. In order to resolve all of those problems, we have no other course than to rely solidly on our party's military line, on the experience we have recapitulated, while at the same time researching and studying. Especially, we must know how to creatively apply the experiences of the Soviet Union and the other fraternal countries to the specific conditions of our country, and step up our research and recapitulation in order to gradually find correct solutions. I want to emphasize recapitulation does not mean merely the recapitulation of the experiences of past wars but also of our present tasks, i.e. analyzing, recapitulating, and drawing conclusions about matters that have already been researched, tried out, and then applied. Actuality is the basis of cognizance and is a standard of truth. Only by entering deeply into reality and correctly analyzing and recapitulating matters can accurate scientific conclusions be reached.

In this conference, a number of comrades want to clarify whether or not, when studying and assimilating the experiences of the Soviet Union, we have been mechanical, imitative, conservative, and empiricist.

First of all, it is necessary to affirm that in studying the experiences of the Soviet Union and the armies of the other fraternal nations we have had correct viewpoints and attitudes: sincerely and modestly studying the advanced experiences of our friends, but by carefully researching them and, especially, knowing how to apply those experiences creatively to the actual circumstances of our country army. In introducing our experiences to our friends, we have introduced to them experiences which we have recapitulated and pointed out the specific historical conditions of those experiences so that our friends could study them and apply them to the specific circumstances of their countries. In general, our cadres have made all-out efforts to go all-out to manifest those viewpoints and that attitude. That is a basic matter. However, if we closely examine the theoretical and practical activities of our army during the recent period we also see instances of mechanical and imitative thinking, conservatism, and empiricism.

However, we must conclude clearly that the above distortions are only relevant to some matters and are not widespread; nor have they become "a type of dogmatism or conservatism." It may be said that recently we have promptly discovered and rapidly and resolutely corrected things that have been inappropriately applied to our conditions.

During the present military science conference, we must remind one another to firmly grasp and do a better job of applying the practical viewpoints and developmental viewpoints, and emphasize analysis and criticism to objectively overcome the incorrect phenomena. That is also a necessary task for unifying awareness and viewpoints in evaluating the situation of the military science work during the past 5 years and determine the objectives, direction, missions, and methods of the military science work during the next 5 years.

FURTHER ON SRV, U.S. TALKS ON ORDERLY DEPARTURE

BK111652 Hong Kong AFP in English 1643 GMT 11 Feb 87

[Excerpt] Bangkok, 11 February (AFP)--A U.S.-Vietnamese program of legal emigration from Vietnam may come to a halt by August when all applicants currently deemed eligible by both sides will have left the country, a U.S. official said here Wednesday.

The official, Orderly Departure Program (ODP) director Bruce Beardsley, said he had no progress to report from two days of U.S.-Vietnamese technical talks which ended here Tuesday and which were aimed at reversing the decline in ODP departures.

Held under the auspices of the U.N. High Commissioner for Refugees, the talks were the fourth round since Vietnam halted U.S. interviewing of applicants in January 1986, charging that the United States was too slow in granting visas to people already interviewed.

Mr. Beardsley said there were 9,300 Vietnamese applicants approved by both sides "left in the pipeline." Of these, 1,200 were leaving Vietnam each month, with 1,600 expected to leave in February, he said.

By August all those slated for departure were expected to have left on the program's weekly flights from Vietnam, he said.

U.S. interviewing of Vietnamese applicants for the ODP has been stalled by disagreement between Hanoi and Washington on the resettling of Amerasian children and what the United States describes as prisoners in Vietnam's official re-education camps. [passage omitted on background of ODP]

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CSO: 4200/347

## ARMY PAPER DENOUNCES U.S. NUCLEAR TESTING

BK121350 Hanoi International Service in English 1000 GM T 12 Feb 87

[Text] The Hanoi Army paper QUAN DOI NHAN DAN on Thursday [12 February] carried a commentary on the Reagan administration's stubbornness in continuing its nuclear testing. The paper said the military and political commentators held that the nuclear explosion conducted by the United States on 3 February contains dangerous political and military aspects. The explosion was conducted while the Soviet Union unilaterally declared its moratorium on nuclear tests still effective after 1 January 1987 till the first U.S. nuclear explosion this year.

Foreign policy makers of the United States have turned a deaf ear to this fact. The 3 February nuclear explosion was the first one in 1987, and the 25 nuclear tests conducted by the United States since the Soviet Union's nuclear testing grounds became silent.

By conducting these explosions, the United States tried to sabotage the possibility of a breakthrough in the Soviet-U.S. relations and a definitive end to all nuclear testings. It has also challenged the desire for peace of all nations and dealt a blow at efforts for disarmament.

To cope with strong public protest, Washington has cooked up stories saying that the Soviet moratorium on nuclear test is because Moscow has completed its nuclear modernization program while the United States is still lagging behind. But, as Western military experts affirmed, so far the Soviet Union has only conducted 563 nuclear explosions, while the United States conducted some 800. Washington also uses the pretext of impossibility to control [as heard], to elude the signing of the treaty banning all nuclear tests, though military experts confirmed that with the present scientific and technical know how, with national and international equipment, inspection work on nuclear explosions can be carried out easily.

People wonder why Washington has not followed the Soviet example to halt nuclear testing, the first and foremost measure of decisive significance to end the arms race.

Realities show that the Reagan Administration is trying to break the present military parity to gain military superiority over the Soviet Union. The Strategic Defense Initiative (SDI) program is considered the key measure to

achieve this goal. The U.S. Defense Secretary Caspar Weinberger himself openly declared that if the United States has in hand a super arms system capable of neutralizing the Soviet Union's retaliation weapons it will return to the time when the United States was the only country having nuclear weapons. Washington is seeking such a system in the SDI program. How can Washington obtain such a marvelous system of super weapons if it agrees to halt nuclear testing? Such systems deployed in outer space need underground nuclear explosions in Nevada. Foreign reports said that most of the nuclear tests conducted last year and some 15 such explosions planned to be conducted this year by the United States are in service of the SDI program. It is safe to say that never before has the Reagan administration been so hasty to deploy the SDI program as it is now. As the author of this dangerous program, Mr Reagan nurtures the illusion of linking his name to the SDI in U.S. history.

The paper went on: War, peace, and security can only be ensured and the danger of nuclear war can only be removed once both the Soviet Union and the United States and other nuclear powers show the goodwill and take positive actions.

The Soviet Union has already shown its goodwill and made important concessions aimed at giving the United States an opportunity to express its goodwill in the field of disarmament. But there is a limit to patience. The Soviet Union cannot go on restraining itself as its own security and that of its allies may be jeopardized. However, with a high sense of responsibility, General Secretary of the Communist Party of the Soviet Union Mikhail Gorbachev pointed out on 19 January that the Soviet Union still considers a complete ban on nuclear explosions a primary measure on the road to limitation and eventual elimination of nuclear weapons. He said: The Soviet Union is still ready to start talks on this issue to sign an international treaty banning all nuclear testing.

The Reagan administration's stubbornness can only inflame the indignation of peace-loving people in the world, including those in the United States. In the past several days, a wave of protests against the latest U.S. nuclear explosion has been aroused in the world. Two hundred and fifty eight members of the Democratic Party of the U.S. House of Representatives adopted a resolution condemning the U.S. nuclear testing and demanding that President Reagan halt all nuclear tests in the future. At the Congress, 140 U.S. representatives signed a document supporting a bill urging President Reagan to hold talks immediately with the Soviet Union to reach a real ban on nuclear explosions. Many Western leaders have openly criticized the provocative move of the Reagan Administration. On the road to disarmament and nuclear disarmament, the world public has acknowledged, sympathized with, and supported the Soviet Union's responsible attitude and actions. It pointed out that it is the United States that bellicosely and obstinately ran counter to mankind's aspiration for peace. This attitude of the United States will surely incense peace forces in the world to step up the struggle demanding that the United States follow the Soviet example to halt all nuclear explosions thus promoting disarmament and ensuring a lasting peace for all nations.

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CSO: 4200/347

MOSCOW MEETING MARKS SRV-USSR CULTURAL TIES

OW181039 Hanoi VNA in English 0806 GMT 18 Feb 87

[Text] Hanoi VNA 17 February--A meeting to mark the 30th anniversary of the Vietnamese-Soviet cultural cooperation agreement was held in Moscow yesterday.

The meeting, co-organized by the Union of Soviet Societies of Friendship and Cultural Relations with foreign countries and the Soviet-Vietnamese friendship society, was attended by, among others, Soviet Deputy-Minister of Culture P.I. Shabanov, and Charge D'affaires a.i. of the Vietnamese Embassy in Moscow Nguyen Van Quang.

Speaking at the meeting, P.I. Shabanov highlighted the achievements recorded in the cultural cooperation between the two countries over the past 30 years. The cooperation, he said, is part of the two countries' comprehensive cooperation in the common struggle for peace and socialism the world over.

On this occasion, a book exhibition entitled USSR-VIETNAM is being held at the Lenin State Library in Moscow.

Prominently on display are books on the Vietnamese people's achievements in national defence and socialist construction, and their literary works published in the Soviet Union.

The cooperation ties between the Lenin State Library and Vietnamese libraries were established in early 1950's. Since then books of Vietnamese authors have been published, with more than 156 million copies in 20 languages in the Soviet Union.

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CSO: 4200/347



## PEACE COMMITTEE SUPPORTS SOVIET PEACE OFFER

BK050919 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Mar 87

[Text] The Vietnam Committee for the Defense of World Peace has issued the following statement on the Soviet Union's 28 February 1987 peace initiative:

On 28 February 1987, Comrade Gorbachev, general secretary of the CPSU Central Committee, made a statement on a new peace initiative regarding the elimination of nuclear arms and missiles. The Soviet Union proposed separating the issue of intermediate-range missiles in Europe from the cluster of issues and to sign immediately a treaty on the elimination of U.S. and Soviet intermediate-range missiles in Europe. When this treaty comes into effect, the Soviet Union will withdraw all its long-range tactical missiles based in the GDR and CSSR in response to the U.S. deployment of Pershing-II and cruise missiles in Western Europe. While implementing this treaty, the Soviet Union and the United States will reduce the number of nuclear warheads of this type to 100 each in their own national territories.

Proceeding from its consistent stand of goodwill, the Soviet Union put forward this important new initiative to seek a firm solution to the defense of peace and security in Europe and the rest of the world. This new peace initiative, which clearly reflects the Soviet Union's lofty sense of responsibility toward the destiny of mankind as a whole, is winning the sympathy and support of peace-loving peoples, including the American people, and all progressive mankind in the world.

The Vietnamese people and Vietnamese peace fighters heartily welcome and totally support this new initiative of the Soviet party and government and demand that the U.S. Administration fully respond to the pressing requirements and ardent aspirations of nations. Together with all progressive mankind and peace-loving forces in the world, the Vietnamese people and Vietnamese peace fighters pledge to intensify all their activities to contribute to the common struggle for peace and security in the entire world.

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CSO: 4209/311

## BRIEFS

MEETING OF CPSU CC PLENUM--Hanoi VNA 14 February--A talk on the plenary session of the Central Committee of the Communist Party of the Soviet Union was held here today for the city's senior officials. The main speaker was Soviet Ambassador to Vietnam D.I. Kachin, who made the audience of the CPSU's renovation and personnel policy. [sentence as received] Also today the Vietnam Federation of Trade Unions and the Soviet Embassy agreed to organize a labour emulation movement among Vietnamese cadres and workers and Soviet experts working in Vietnam to fulfill the 1987 cooperation programmes, and develop the close ties of friendship between Vietnam and the Soviet Union. [Text] [Hanoi VNA in English 1454 GMT 14 Feb 87 OW] /12913

AFGHAN, CZECH PRESENT CREDENTIALS--Hanoi VNA 14 February--Mohammas Faroung Karmark and Miroslav Kapdun [names as received], respectively new ambassadors of Afghanistan and Czechoslovakia, today presented their credentials to vice president of the State Council Nguyen Huu Tho. Vice President Nguyen Huu Tho had cordial talks with the Afghan and Czechoslovak diplomats. [Text] [Hanoi VNA in English 1459 GMT 14 Feb 87 OW] /12913

EDUCATION DELEGATION TOURS SRV--Hanoi VNA 11 February--A delegation of the Ministry of Higher and Secondary Specialized Education of the Soviet Union headed by Vice Minister A.N. Belov has visited Vietnam. It had working sessions with senior officials of the Vietnamese Ministry of Higher and Secondary Vocational Education on their plans for cooperation up to the year 1990 in personnel training and in scientific and technical exchanges and cooperation. The guests visited the Pushkin Russian language sub-institute and other institutions in Hanoi. It also toured some provinces and attended the ceremony to inaugurate the Pushkin Russian language sub-institute of Ho Chi Minh City. [Text] [Hanoi VNA in English 0731 GMT 11 Feb 87 OW] /12913

RUSSIAN LANGUAGE SCHOOL--Hanoi VNA 12 February--A Russian language sub-institute named after A.S. Pushkin has been opened in Ho Chi Minh City on the occasion of the 30th anniversary of the signing of the Vietnam-USSR Cultural Agreement (15 February) and the 150th death anniversary of the great Russian poet. The sub-institute, the second of this kind in Vietnam, serves as a teaching and studying Russian language centre in southern provinces. Present at the inauguration were Tran Hong Quan, vice minister of vocational and higher education, and A.N. Belov, Soviet vice minister of vocational and higher education. [Text] [Hanoi VNA in English 0714 GMT 12 Feb 87 OW] /12913

INDOCHINA-USSR PUBLISHING CONFERENCE--Hanoi, 4 March (VNA)--The fifth conference on cooperation in printing and publication between the three Indochinese countries and the Soviet Union closed in Vientiane today after five days' sitting. The conference reviewed the implementation of the agreements of the 4th conference on cooperation in printing and publication among the four countries and worked out a plan for further cooperation in the 1986-90 period. The same day, minutes on cooperation in printing and publication between the three Indochinese countries and the Soviet Union were signed in the Lao capital. On the occasion, minutes on cooperation in printing and book distribution between Laos and Vietnam, between Laos and the Soviet Union, and between Laos and Kampuchea were signed. [Text] [Hanoi VNA in English 1535 GMT 4 Mar 87 OW] /12858

INCREASED LEATHER EXPORTS TO USSR--Vietnam is stepping up the export of leather products to the Soviet Union and other socialist countries. In the coming years, the Vietnamese leather and shoes industry will turn out 200 million products; 90 million of them will be exported for 600 million rubles. To achieve this result, the leather and shoes industry is improving and enlarging production establishments to receive 3,500 machines with the capacity of 50,000 products per year. With the assistance from Soviet experts, the Thuy Khe tannary in Hanoi is reorganizing its production chains. The Thuong Dinh canvas shoes factory is striving to produce 5 million pairs of canvas shoes a year. [Text] [Hanoi International Service in English 1000 GMT 5 Mar 87 BK] /12858

GORBACHEV COLLECTED WORKS--Hanoi, 5 March (VNA)--A collection of 39 "Selected Speeches and Writings" by M.S. Gorbachev, general secretary of the Communist Party of the Soviet Union Central Committee, has been published by the Su That (Truth) Publishing House in Hanoi in cooperation with the "Progres" Publishing House in Moscow. The book gives the readers a systematic understanding of the Soviet Union's foreign policy, a dynamic policy marked by undeviating responsibility to mankind's destiny, a policy strictly oriented to broad international cooperation, disarmament, elimination of nuclear weapons, non-militarisation of the outer space, resolution of regional conflicts and establishment of a dural peace for all. [Text] [Hanoi VNA in English 1512 GMT 5 Mar 87 OW] /12858

FRIENDSHIP TREATY ANNIVERSARY--Hanoi VNA 18 February--A talk was organized here today to mark the 8th anniversary of the Vietnam-Kampuchea Treaty of Peace, Friendship and Cooperation. It was sponsored by the Vietnam-Kampuchea Friendship Association (VKFA). Speaking to the audience which included staff members of the Kampuchean Embassy in Hanoi, Pham Hao, deputy head of the Commission for Economic and Cultural Cooperation with Laos and Kampuchea and vice president of the VKFA, brought out the final results of the Vietnamese-Kampuchean cooperation in economic, cultural and social fields over the past eight years and its bright prospects in the future. He affirmed that the close friendship and cooperation between Vietnam and Kampuchea had greatly contributed to the revolution in each country and constantly strengthened the alliance between the two countries as well as between the three Indochinese countries. Taking the floor, Kampuchean Ambassador Tep Hann said that the treaty between the two countries has been implemented with ever higher efficiency. He thanked the party, government, and entire people of Vietnam for their heartfelt assistance to the Kampuchean people in national defense and development. [Text] [Hanoi VNA in English 1453 GMT 18 Feb 87 OW] /12913

WIPO EXPERT TEAM--Hanoi VNA 13 February--A group of experts of the World Intellectual Property Organization (WIPO), led by Deputy Director General Marino Porzio, has paid a working visit to Vietnam. The visit was made in the framework of the project of establishing and strengthening the system of industrial property in developing countries in Asia and the Pacific jointly sponsored by the UN Development Programme (UNDP) and WIPO. The group had working sessions with the Vietnamese State Commission for Science and Technology, the UNDP office in Vietnam, and concerned offices of Vietnam. Discussions centered on the management of activities concerning industrial property and building a national centre of inventions in Vietnam. On this occasion, a course on the role of industrial property in economic and technical development was held by WIPO and the Department of Invention of the State Commission for Science and Technology with UNDP funding. [Text] [Hanoi VNA in English 0731 GMT 13 Feb 87 OW] /12913

SRV-USSR CULTURAL COOPERATION PROGRAM--Hanoi VNA 14 February--A programme for cultural cooperation between Vietnam and the Soviet Union for 1987 was concluded in Moscow yesterday. The document stipulates that the Soviet cultural days will be arranged in Vietnam to mark the 70th anniversary of the Russian October Socialist Revolution, and that visits of arts troupes will be exchanged between the two countries. It also provides for the broadening and development of the relations between museums, libraries, theatres, music schools, and other cultural establishments of the two countries. [Text] [Hanoi VNA in English 1456 GMT 14 Feb 87 OW] /12913

SRV-USSR ACCORD ANNIVERSARY--Hanoi VNA 14 February--A mass meeting was held at the municipal theatre here this evening to mark the 30th anniversary of the signing of the agreement on cultural cooperation between Vietnam and the Soviet Union (15 February). Prominent at the meeting, sponsored by the Ministry of Culture, were Tran Van Phac, member of the CPV Central Committee and acting Minister of Culture; Cu Huy Can, [word indistinct] minister in charge of cultural and arts activities, and Soviet ambassador D.I. Kachin. In his speech at the function Tran Van Phac brought out the important significance of the signing of the agreement 30 years ago, which, he said, has created favourable conditions for the development of the cultural cooperation between Vietnam and the Soviet Union. Tran Van Phac thanked the fraternal Soviet party and people for their heartfelt assistance to and fruitful cooperation with Vietnam in its cultural cause. The Soviet ambassador for his part valued highly the development of Vietnam's culture and arts. He reaffirmed the Soviet Union's full support for Vietnam in national development and defence. [Text] [Hanoi VNA in English 1502 GMT 14 Feb 87 OW] /12913

DOS SANTOS CONGRATULATED--Hanoi VNA 16 February--Chairman of the National Assembly Nguyen Huu Tho has congratulated Jose Eduardo Dos Santos on his re-election as chairman of the People's Assembly of Angola. In his congratulatory message, Chairman Nguyen Huu Tho wishes for further consolidation and development of the militant solidarity and friendship between the peoples and legislative bodies of Vietnam and Angola. [Text] [Hanoi VNA in English 1449 GMT 16 Feb 87 OW] /12913

SRV-SOVIET CULTURAL EXHIBITION--Hanoi VNA 16 February--An exhibition entitled "Vietnamese-Soviet Cooperation on Books" was opened there this morning to mark

the 30th anniversary of the Vietnamese-Soviet Cultural Cooperation Agreement. The exhibition highlights the achievements in cooperation in publication between the two countries. Over the past 30 years, Vietnam has imported from the Soviet Union 25 million book copies in Russian and Vietnamese, 40 million magazines, pictorials, post cards, etc. In return, the Soviet Union has received from Vietnam 4 million book copies, 27 million copies of newspapers and magazines and 100 million postage stamps. Vietnam's literature publishing house alone has over the past 30 years translated and published 156 well-known works from the Soviet Union. For its part, the Soviet Union has published more than 300 Vietnamese book titles with 14 million copies. At present, 16 Vietnamese publishing houses are cooperating with 4 Soviet publishing houses to publish every year 30-40 Soviet book titles in Vietnamese with 1-2 million copies. Also on this occasion, a Soviet film week is being organized here by the Ministry of Culture. [Text] [Hanoi VNA in English 1451 GMT 16 Feb 87] /12913

SRV-PRK FISHING COOPERATION STRENGTHENED--Vietnam and Kampuchea are stepping up their cooperation of fishery, one of the more important economic programs of Kampuchea. Vietnam is now helping Kampuchea in fish rearing and training cadres for the Prek Leap Maritime Technological College. The Vietnam Maritime Product Service has also given the Kompong Thom city some trawlers and has trained its technicians. In the past eight years, Vietnam has trained hundreds of fishery cadres for Kampuchea and gave Kampuchea many fishing equipment. In 1986, Kampuchea caught 64,000 metric tons of fish. This figure is very significant as the Kampuchean Maritime Product Service has suffered heavy consequences left by the genocidal Pol Pot regime. [Text] [Hanoi International Service in English 1000 GMT 17 Feb 87 BK] /12913

COOPERATION WITH PRK--The Vietnamese army daily QUAN DOI NHAN DAN has acclaimed the friendship and all-round cooperation between the two governments and peoples of Vietnam and the PRK. In an editorial, the paper noted: The fraternal cooperation between Vietnam and Kampuchea is being developed in both scope and scale, thus ensuring success for each nation's revolution and creating firm grounds for the strategic alliance among the three Indochinese countries: Vietnam, Laos, and Kampuchea. [Text] [Hanoi International Service in English 1000 GMT 18 Feb 87 BK] /12913

TREATY WITH SRV--Hanoi VNA 17 February--A talk was held in Phnom Penh this morning by the Kampuchea-Vietnam Friendship Association to mark the 8th anniversary of the signing of the Vietnam-Kampuchea Treaty of Peace, Friendship and Cooperation (18 February). Speaking on this occasion, vice president of the Association Chhuk Chhum and Vietnamese embassy counsellor Do Minh Chau exalted the Vietnam-Kampuchea special militant solidarity and expressed their belief that on the basis of the Treaty of Peace, Friendship and Cooperation, the Vietnamese-Kampuchean special solidarity and militant alliance will be constantly consolidated and developed, and the all-round cooperation between the two countries will become more effective. Vice President Chhuk Chhum expressed the Kampuchean people's gratitude to the Vietnamese people and army for not only saving them from the Pol Pot genocide but also wholeheartedly helping them in national construction and defence. [Text] [Hanoi VNA in English 0812 GMT 18 Feb 87 OW] /12913

GDR OFFICIAL TO VISIT--Hanoi VNA March 2--Oskar Fischer, member of the Socialist Unity Party of Germany Central Committee and foreign minister of the GDR, will pay an official visit to Vietnam in the near future, at the invitation of the CPV Central Committee and the government of the Socialist Republic of Vietnam, says a communique of the Vietnamese Foreign Ministry today. [Text] [Hanoi VNA in English 1508 GMT 2 Mar 87] /8309

CSO: 4200/369

## PEOPLE'S COURT SECTOR DISCUSSES 1987-90 TASKS

BK051429 Hanoi Domestic Service in Vietnamese 1100 GMT 5 Mar 87

[Text] The people's court sector held a conference recently to review its 1986 work and discuss measures to carry out tasks for the 1987-90 period. In 1986, the people's court sector made great efforts in developing its dynamism, closely coordinating with various sectors of the internal affairs bloc, accelerating activities, improving the quality of adjudicatory work, and executing court sentences, thereby contributing to foiling the enemy's multifaceted war of sabotage. The sector also strived to oppose embezzlement, stealing of socialist property, speculation, smuggling, production of fake goods, market disturbances, and other acts detrimental to the people's properties and lives. It has also contributed to strengthening the socialist law and maintaining political security and social order and safety. The sector promptly tried a number of important cases which caused serious losses to the socialist property.

Under the beacon of the Sixth CPV Congress resolution, cadres and personnel of the people's court sector have striven to enhance the quality and effectiveness of their criminal and civil adjudication work, thereby serving the implementation of the three major economic programs and the movement to purify the party ranks and the state apparatus and to oppose social negativism. The sector strived to promptly try, in accordance with the law, various criminal cases and arbitrated various civil and marriage litigations while accelerating the execution of court sentences to ensure that they are strictly carried out.

/12858

CSO: 4209/311

MAKEUP OF PARTY CONGRESS DELEGATES ANALYZED

Hanoi NHAN DAN in Vietnamese 15 Dec 86 pp 3, 4

[Article: "Structure of Delegates Attending Sixth Party Congress"]

[Text] The Congress was attended by 1,129 delegates, including 925 comrades representing 40 provinces, municipalities, and special zones, and 197 comrades representing party organizations directly under the central echelon.

Women: 153 comrades, amounting to 13.54 percent of the delegates.

Labor heroes and heroes of the armed forces: 50 comrades, 4.42 percent of the total.

Direct production workers: 72 comrades, 6.37 percent of the total.

With regard to class composition, 175 comrades, 15.5 percent of the total, were industrial workers; 325 of them, 28.78 percent, were peasants; 337, 29.84 percent of the total, were cadres and civil servants; 150, 13.28 percent, were petty bourgeoisie and students; and 142, 12.57 percent, were of other origins.

With regard to educational level, 804 comrades, 71.21 percent of the total, had general secondary school levels or higher.

With regard to scientific-technical and specialized technical levels, 558 comrades, 49.38 percent of the total, had educational levels of specialized secondary schools or higher; 558 comrades, 49.38 percent, had college or higher levels; and 481 comrades, 42.6 percent, had college levels or higher (including 28 professors, and 42 PhD's and MA's).

With regard to political theory levels:

High level: 691 comrades, 81.11 percent of the total.

Middle level: 246 comrades, 21.78 percent.

Some 334 comrades, 29.58 percent, had studied economic management.

Some 42 comrades, 3.72 percent, had studied state management.



With regard to age:

Between 31 and 40: 132 comrades, 11.69 percent of the total.

Between 41 and 50: 339 comrades, 30.02 percent.

Between 51 and 60: 460 comrades, 40.74 percent.

Between 61 and 70: 162 comrades, 14.34 percent.

More than 70 years old: 14 comrades, 1.24 percent

The oldest delegate was 80. The youngest comrade was 23.

With regard to party seniority.

Seven comrades (0.62 percent) entered the party before 1930; 35 comrades, 3.10 percent, entered the party between 1931 and 1941; 45 comrades, 3.99 percent, entered the party between 1941 and August 1945; 407 comrades, 36.05 percent, entered the party between September 1945 and July 1954; 547 comrades, 48.45 percent, entered the party between August 1954 and April 1975; and 88 comrades, 7.80 percent, entered the party after May 1975.

Eighty-two comrades were imprisoned by the colonialists, imperialists, and feudalists.

With regard to present positions:

Members of party committees totaled 968 comrades, 84.74 percent.

Members of the Party Central Committee included 138 comrades, 12.22 percent.

High-ranking cadres: 390 comrades, 34.54 percent.

Ministers and vice-minister: 212 comrades.

Some 187 comrades were active at the basic level.

Two comrades were retired.

Some 731 comrades were delegates attending a party congress for the first time.

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CSO: 4209/242

## BRIEFS

NGUYEN VAN LINH VISITS CITY--Hanoi VNA 13 February--General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Ling has paid a working visit to Ho Chi Minh City. Speaking at a working session with the city's party committee, General Secretary Nguyen van Linh commended the city for its efforts in boosting production, caring for the people's life and keeping public order over the past years. He also made suggestions on pressing questions of the city particularly in goods production and distribution. General Secretary Nguyen van Linh also called at several production establishments and met with many managerial cadres, scientists and technicians in the city. [Text] [Hanoi VNA in English 0721 GMT 13 Feb 87 OW] /12913

1986 ACTIVITIES REVIEWED--Hanoi VNA 13 February--The Hanoi Peace Committee met here yesterday to review its activities last year in response to the International Year of Peace and discuss the orientation and tasks for 1987. Lawyer Phan Anh, president of the Vietnam Peace Committee and vice president of the World Peace Council, attended. Addressing the audience, Prof. Pham Khac Quang, president of the Hanoi Peace Committee, spoke about the diversified activities in the capital city during the international year of peace such as meetings, talks, seminars, statements, collection of signatures, film shows, art performances, painting contests, cycling races, sport activities, etc. The committee also worked out a programme of action for 1987 aimed at mobilizing the people of all walks of life in the capital to support the Soviet peace initiatives, and combine their activities for peace with the successful implementation of the city's socio-economic programme laid down by the Sixth Party Congress. [Text] [Hanoi VNA in English 0728 GMT 13 Feb 87 OW] /12913

VFF PREPARES FOR ASSEMBLY--The Presidium of the VFF Central Committee is going ahead with the preparations for the coming elections to the National Assembly and the people's councils at all levels. The election campaign is underway with emulation movements to implement the resolution of the Sixth Congress of the CPU held in mid-December last year. [Text] [Hanoi International Service in English 1000 GMT 18 Feb 87 BK] /12913

ELECTIONS TO PEOPLE'S COUNCILS SET--Hanoi VNA 19 February--Elections to the People's Councils at the district and commune levels and equivalent levels will be held on 19 April 1987, the same day as the election to the National Assembly, says a communique issued here today. [Text] [Hanoi VNA in English 0706 GMT 19 Feb 87 OW] /12913

NEW ENTERPRISE FEDERATION--The Council of Ministers recently issued a decision on the setting up of the federation of leather products and shoes enterprises subordinate to the Ministry of Light Industry. Members of the federation consist of all enterprises manufacturing leather products and shoes of the export and import corporation. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 25 Feb 87 BK] /8309

YOUTH MOVEMENT--The Ho Chi Minh Communist Youth Union [HCYU] Central Committee recently met to review the youth movement nationwide to collect scrap metal in support of the metallurgy sector. In 1984, the HCYU Central Committee launched a movement among youths with the aim of collecting 20,000 metric tons of scrap metals during the 1984-86 3-year period. By late 1986, youths in 24 provinces and cities throughout the country had collected more than 30,000 metric tons of scrap metals exceeding the target by over 10,000 metric tons. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 26 Feb 87 BK] /8309

CHEMICAL CORPS' ACTIVITIES--Recently, the chemical corps held a conference to review its activities in 1986 and to discuss tasks for 1987. This year, the corps will pay attention to developing the work style of all echelons, intensifying inspection and control work, and making its party organizations and units firm and strong to serve as a basis for fulfilling all tasks. It will also pay special attention to the role of party committee echelons and commanders, foster youth union work, step up the training of specialists and technicians, provide advanced training for scientific and technical cadres, reduce staff personnel, and accelerate production to achieve self-sufficiency. [Summary] [Hanoi Domestic Service in Vietnamese 1400 GMT 26 Feb 87 BK] /8309

CSO: 4209/308

## VNA REPORTS NATIONAL INDUSTRIAL BRIEFS

OWO40807 Hanoi VNA in English 0709 GMT 4 Mar 87

[Text] Hanoi, 4 March (VNA)--The Hanoi Civil Electric Repair Enterprise has turned out machines for plastic sheathing of electric wire each with a capacity of 10,000 metres per shift, a five-fold increase in productivity over its existing machines.

--The Hanoi textile service last year produced 5.7 million metres of fabrics, including 4.2 million metres for export. This year, it plans to weave 9.7 million metres 80 percent of which for export.

--A production line to produce spiralled steel springs for locomotives and carriages has been installed at the Hanoi Rail Carriage Repair Enterprise. The springs with diameters ranging from 26-40 millimetres have proved during tests to have achieved the required degree of elasticity.

--The sport gear factory in 1986 produced 82,126 badminton rackets, 2.6 percent above the year quota, and 73,000 rubber soccer balls.

--The Lam Thao Super-Phosphate Fertilizer Plant in the northern midland province of Vinh Phu has successfully turned out a new kind of insecticide. The new product will be exported under a trade contract with foreign customers.

--In January the frozen shrimp factory in Nam Dinh, provincial town of Ha Nam Ninh (south of Hanoi), produced 12 tons of frozen shrimps for export, two tons more than planned.

--The jute factory in the Red River Delta Province of Thai Binh last year produced 5,560 tons of jute fibre, 1,700 tons of which has been dyed, up by 20 percent over the 1986 plan.

--The electric motor plant in the central Vietnam province of Thanh Hoa has turned out hydro-electric turbines each with a capacity of 240 watts for mountainous areas.

--The steel frame factory under the Vietsovpetro joint enterprise in the Vung Tau-Con Dao Special Zone has assembled a 2.73-ton eight-branch platform of an off-shore oil rig. This has opened the possibility to install oil rig platforms right at Vung Tau.

## BRIEFS

RESETTLERS IN CENTRAL HIGHLANDS--At present, along with actively stabilizing production and living conditions for resettlers who arrived late last year and early this year, the Central Highlands provinces have been making intensive preparations to receive more than 74,000 people, including over 34,400 laborers, who will come from other localities, chiefly the Bac Bo Delta, to the new economic zones there this year. Renovating work methods based on past experience, this year, the Central Highlands provinces, instead of resettling the newcomers without planning, will send them to 57 predetermined zones to provide manpower for the various centrally and locally run state farms and state forests, and to various new population centers in support of the three major economic programs. Apart from almost 191 million dong provided by the state, local funds will be mobilized this year to reclaim 7,900 hectares of virgin lands, prepare 4,500 hectares of rice fields, and build 15 small water reservoirs and dams, nearly 370 km of local roads, 17 small bridges, and tens of thousands of square meters of housing, schools, dispensaries, nurseries, and cooperative offices. [Summary] [Hanoi Domestic Service in Vietnamese 1100 GMT 5 Mar 87 BK] /12858

CSO: 4209/311

## REPORT ON LIVESTOCK BREEDING PLANS TO 1990

OW141011 Hanoi VNA in English 0708 GMT 14 Feb 87

[Text] Hanoi VNA 14 February--Vietnam is striving to achieve 16-17 kilograms of meat per head in 1990.

By that time the total weight of domestic animals on the hoof must have been increased to 1.2 million tonnes, 66 percent of which came from pigs, and 10 percent or 120,000 tonnes from cattle.

The amount must be brought to 2.6-2.8 million tonnes in 2000 in order to annually supply each person with 21-22 kilograms of meat.

So, to help solve the food problem, livestock-breeding must be developed comprehensively, with a rational species pattern attention must be paid to developing highly productive and fast growing stocks. Pig breeding and duck farming must be stepped up through cross-breeding. Average weight of table pig must be raised from the 62 kilograms of 1985 to 70-75 kilograms in 1990, to facilitate transportation, pig and duck farms should be set along main roads in the deltas of the Red River and Mekong River.

Investments must be increased in order to develop meat cattle breeding, which should be introduced to the central coast as a basis for later extension to the mountains in the west where vast pasture land is available. New cross-breeding techniques must be applied so that an ox of 24-27 months can weigh 280-320 kilograms on an average.

Livestock breeding will become a main production line only when per capita food output is raised to 450-500 kilograms. So steps must be taken to quickly raise the output of subsidiary food crops. Especially maize. It is necessary to produce more groundnuts and soybean, to get, among other things, vegetable protein for animals.

Last but not least, fishing must be better organized alongside a bigger catch of clams to better supply the fodder industry.

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CSO: 4200/347

## OUTPUT OF MEKONG HIGH-YIELD RICE FIELDS VIEWED

OW160925 Hanoi VNA in English 0710 GMT 16 Feb 87

[Text] Hanoi VNA 16 February--Over the past five years, the Mekong River Delta Provinces of An Giang, Dong Thap, Long An and Kien Giang have transformed 700,000 hectares of low-yielding rice into high-yielding double-cropped ricefields. This accounts for 30 percent of the total rice acreage in the Delta.

High-yielding rice fields lie mainly along the banks of the Tien and Hau Rivers, the main tributaries of the Mekong River. Productivity ranges from four to five tons per hectare [word indistinct] year, and even from six to eight tons in some districts.

Tien Giang was the first province in the region to have grown high-yielding rice varieties. In the 1980-1981 winter-spring crop, Cai Lay District alone put 10,700 hectares under high-yielding rice. As a result, its per-hectare rice output rose from 2.7 to 4.8 tons in a single crop. The district's experience was widely popularized to other localities in Tien Giang. After seven crops, the high-yielding rice acreage in the province expanded to more than 100,000 hectares, making up 60 percent of its total cultivated acreage.

With the help of the An Tho College of Agriculture, Ke Samh District (Au Giang Province) has conducted a general survey of its soil and [word indistinct] its food grain crops. Now, Ke Sach has grown 10,000 hectares with high-yielding rice varieties in the last summer-autumn crop, the district's per hectare yield was up by nearly one ton. In 1986, Ke Sach raised its per capita paddy production to 800 kilos, two and a half times more than the national average.

The Mekong River Delta, the biggest rice-producing area of Vietnam, accounted for almost half of the national foodgrain output of 18.5 million tons in 1986.

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CSO: 4200/347

## AGRICULTURAL COOPERATIVES FLOURISH

OW140845 Hanoi VNA in English 0724 GMT 14 Feb 87

[Text] Hanoi VNA 14 February--Vietnam has now more than 16,700 agricultural cooperatives and 40,000 production teams, involving 94.8 percent of the peasants' households and 88.5 percent of the arable land.

The northern plain and mid-land areas have 5,877 cooperatives, each includes nearly 800 households cultivating 250 hectares of land. In the mountainous areas, 8,288 cooperatives have been established, each averagely involves some 90 households and 70 hectares of land. In the central coastal areas, there are 1,284 cooperatives, each includes about 600 households working on 300 hectares of land. The central highlands has set up 460 cooperatives and 1,900 production teams grouping 80 percent of the farming households. The southern provinces have organized 37,183 production teams and 804 cooperatives involving 92.1 percent of the households and 89.7 percent of the cultivated land.

The collectivization movement last year made remarkable progress throughout the country.

The southern provinces are paying great attention to heighten the quality of the agricultural collectivization work. They have opened courses to train managerial cadres for the production teams and cooperatives.

The Ministry of Agriculture for its part is guiding all the localities to the system of contractual quotas and eliminate the system of state subsidies in these collective production units.

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CSO: 4200/347



## REVIEW OF AGRICULTURAL PRODUCTION IN PAST 10 DAYS

BK011354 Hanoi Domestic Service in Vietnamese 1100 GMT 28 Feb 87

[Summary] "According to the General Statistics Department, as of 25 February, the country had planted winter-spring rice on 1.721 million hectares or 92.6 percent of the planned area, with the northern provinces accounting for 991,000 hectares--91.3 percent of the plan--and the southern provinces 730,000 hectares--88 percent of the plan--including 520,000 hectares in the Mekong River Delta. This shows an increase of 5 percent over the same period last year."

At present, the winter-spring rice in the northern provinces is faced with insects and blight. "Rice blast, *nigrospora oryzae*, cotton leaf rollers, and brown planthoppers have appeared on 20,000 hectares in Ha Nam Ninh Province, 8,000 hectares in Thanh Hoa Province, and 4,500 hectares in Nghe Tinh Province. However, the difficulty at present is the shortage of insecticide. So far, all localities have been supplied with only one-third of the required quantity.

"As of 25 February, the southern provinces had harvested 1.485 million hectares of 10th-month rice, covering 93 percent of the cultivated area. In general, except in the central coastal and zone 5 provinces, the yield of the 10th-month rice crop is higher than in previous seasons."

Winter-spring rice in the southern provinces is developing satisfactorily. "However, like in the north, this rice has been ravaged by insects and blight, which have now appeared on 14,000 hectares in Phu Khanh Province, 20,000 hectares in Nghia Binh Province, 12,500 hectares in Dong Thap Province, and 10,000 hectares in Long An Province.

"To date, the entire country has planted 364,000 hectares of subsidiary and industrial crops, 5 percent more than in the same period last year." The northern provinces alone have yielded an increase of 141,000 hectares over the same period last year while the southern provinces have planted on only 66,000 hectares, 22 percent less than in the same period last year.

According to the General Meteorology and Hydrology Department, the weather will become gradually warm in the next 10 days, with the daily temperature averaging 15 degrees celcius. All localities must pay attention to protecting domestic animals against epidemics, caring for spring rice, and detecting and combating insects and blight.

## MINH HAI PROVINCE AFFORESTATION PROGRESS NOTED

OW031941 Hanoi VNA in English 1452 GMT 3 Mar 87

[Text] Hanoi VNA March 3--Within ten years from 1975 to 1985, Minh Hai Province in the southernmost part of Vietnam reafforested more than half of its natural forest land depleted by war and indiscriminate exploitation. Minh Hai has 250,000 ha of forest land more than half of which suffered heavy destruction in the American war, chiefly by chemical sprays by U.S. aircraft 77,000 ha of mangrove and 26,000 ha of cajeput were ruined, leading to a serious reduction of the vegetation carpet, down to 18 per cent, much lower than ecologically permissible.

Reforestation began immediately after liberation in 1975, within three years (1975-77), Minh Hai covered more than 32,600 hectares with Mangrove and cajeput.

To prevent bush fires either by natural cause or by burning for food crop cultivation, in 1983, the province invested dozens of millions dong (Vietnamese currency) in building fire-protection embankments, particularly in U Minh District which has the largest forest concentration.

The province has set up 13 afforestation centres of small or medium sizes to its managerial capacity, each covering from 500 to 1,000 hectares. Several of these centres have been cited as models in the combination of forestry with fish raising. The "Trem River" centre, a "hero unit," within only three years from 1982 to 1984 covered 7,600 hectares with cajeput meeting the target of its eight-year plan, up to 1990.

The centre has marked off 65 hectares for raising animals of high export value such as boas, snakes, turtles, eels, etc., which brought in 4,000 U.S. dollars in 1986 alone.

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CSO: 4200/369

## BRIEFS

1986 AGRICULTURAL ACHIEVEMENT REPORTED--Hanoi VNA 16 February--Vietnam's northern border province of Quang Ninh last year planted 5 million trees in scattered places and afforested more than 2,000 hectares, overfulfilling its 1986 plan by 32 percent. Farmers of the Son Binh province, southwest of Hanoi, have harvested winter potatoes with an average yield of 12 tons per hectare. The Red River Delta province of Thai Binh, south of Hanoi, last year harvested 6,000 hectares of jute with a yield of 0.26 tons per hectare. It has built a 1,000 ton refrigerating factory in service of the food-processing industry. In addition to 1,000 hectares of litchi, Chi Linh district in Hai Hong province, east of Hanoi, plans to put 1,200 more hectares under this special fruit tree this year. The Central Highlands province of Lam Dong last year grew coffee on 24,000 more hectares, up by 101 percent over 1985. [Text] [Hanoi VNA in English 0715 GMT 16 Feb 86 OW] /12913

AGRICULTURE NEWS BRIEFS--Hanoi, 5 March (VNA)--Three new types of rice threshing machines have been chosen for mass production during a recent contest among northern provinces. They are designed and manufactured by the "February 3" engineering factory in Ha Son Binh Province. The Ha Nam Engineering Factory in Ha Nam Ninh Province, and the Nam Hong Engineering Factory in Hanoi. Hai Hung Province, east of Hanoi, in the last winter crop got 1,550 tons of potatoes for export, a seven-fold increase over the previous crop. Besides, it reaped nearly 1,000 tons of cabbages and carrots. Ha Nam Ninh Province in the river delta this year plans to raise 780,000 pigs for a targetted 32,000-37,500 tons of meat. Long An Province, southwest of Ho Chi Minh City, has harvested 75,000 ha of autumn rice with a yield of 2,300 kilos per hectare, up by 500 kilos compared with the previous crop. The coffee acreage in Vietnam has almost doubled over the past five years, covering some 40,000 ha. It is expected to expand to 90,000 ha by 1990 with an expected yield of 30,000 tons of beans. A set of Bulgarian tomato strains has been test planted in Vietnam. The selection and hybridization of these strains with local varieties have given a number of new high-yield strains, especially the Cristi. This new strain yields 70 tons per hectare. Each plant bears from 120-130 fruits, from two to three times as many as the fruits borne by strains now widely cultivated in the country. [Text] [Hanoi VNA in English 0659 GMT 5 Mar 87 OW] /12858

HAU GIANG PADDY DELIVERY--Since early this year, Hau Giang Province has delivered 91,300 metric tons of paddy to state granaries. This figure includes 18,400 metric tons from debt payment. Hau Giang is now collecting an average of 2,000 metric tons of paddy each day. [Summary] [Hanoi Domestic Service in Vietnamese 1100 GMT 1 Mar 87 BK] /8309

SUBSIDIARY CROPS ACREAGE--Hanoi VNA March 2--Since early this year, Vietnam has put about 457,920 hectares under subsidiary food crops and vegetables, 37,850 hectares more than the corresponding period last year. Leading in this winter-spring cropping season are the provinces of Thanh Hoa, Nghe Tinh, Binh Tri Thien (central Vietnam), Ha Nam Ninh (south of Hanoi), and Dong Nai, An Giang and Tay Ninh (southern Vietnam). Each of these localities has grown from 20,000 to 30,000 hectares of subsidiary food crops and vegetables. Special attention has been paid to enlarging areas of maize, one of the main subsidiary food crops in the country, which now covers 77,700 hectares, up by 29 per cent over the last year. Agricultural cooperatives and production collectives have applied new methods of intensive farming in which new high-yield varieties have been used in large areas. Besides maize, areas under sweet potato have also expanded to 193,350 hectares, 10,300 hectares more than the last crop. In Thanh Hoa Province alone, 10,800 hectares have been put under sweet potato, topping its plan by 35 per cent. [Text] [Hanoi VNA in English 0718 GMT 2 Mar 87 OW] /8309

RICE FIELDS IRRIGATION--Hanoi VNA March 2--Last year the water conservancy service irrigated 4.43 million hectares of rice fields, markedly helping intensive farming throughout the country. Efforts are being made to extend the total irrigated area to 4.7 million hectares to gain 19.2 million tons of food this year. Fifty irrigation projects are under construction, 20 of them to be completed this year, supplying water for 150,000 hectares more, including 110,000 hectares in the Mekong River Delta. The service has launched a movement to build small irrigation works to water tens of thousands of hectares of vegetables and subsidiary food crops. The Mekong River Delta Province of Cuu Long in particular plans to invest 150 million dong (Vietnamese currency), trebling the investment in 1986, in building irrigation systems for 40,000 hectares of high-yield rice fields. [Text] [Hanoi VNA in English 0737 GMT 2 Mar 87 OW] /8309

CSO: 4200/369

## VNA CARRIES VIETNAMESE INDUSTRIAL BRIEFS

OW140805 Hanoi VNA in English 0703 GMT 14 Feb 87

[Text] Hanoi VNA 14 February--The Vang Danh coal mine in the northern border province of Quang Ninh in January produced 2,000 tons of coal a day, 30 percent more than in the same period last year.

--The Union of Thang Long Bridge-building Enterprises has completed three projects in service of industrialization in bridge-building: the technological process of soldering, props for the building of bridge foundations and piers, and a railway line for the transportation of concrete beams.

--The Earthen, Porcelain and Glassware Research Centre of the Light-Industry Ministry has succeeded in making refractory bricks from materials available in the country. It plans to turn out 200 tons of this product this year.

--The Military Health Institute (Defence Ministry) has worked out a technological process for making gelatin with the use of home-made equipment, thus helping raise the quality of gelatin and shortening the production time.

--The Hai Duong Porcelainware Factory, east of Hanoi, produced in January 1.3 million items, 5 percent more than in January 1986.

--The Dien Quang Electric Bulb Factory in Ho Chi Minh City last year turned out nearly four million items including bulbs, fluorescent lamps and other products for the public health service.

--The Central Vietnam Province of Nghia Binh has commissioned a bridge on the provincial motor road. It is 100 metres long, 7.5 metres wide and is passable to 13-ton vehicles.

--The southernmost province of Ninh Hai has built 200 more fishing vessels, bringing the total capacity to 30,000 hp. Last year the province netted 83,000 tons of sea products including 20,000 tons of shrimp for export.

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## BACH HO OIL, GAS WORKERS REPORT SUCCESSES

Hanoi NHAN DAN in Vietnamese 14 Dec 86 pp 1, 4

[Article by Tran Sinh: "Oil and Gas Workers Report Good News"]

[Text] At Bach Ho the dazzling white-capped waves were four or five meters high. The wind was quite strong and we had to tighten the straps of our hardhats. Under such conditions, it was not easy to fly to the drilling platforms and floating equipment. Even so, the helicopter bearing the emblem of Vietnam Civil Aviation which served oil and gas exploration and was piloted by chief pilot Nguyen Van Sang still landed lightly on stationary drilling platform No 3. He was flying his 1,500th hour for the corporation, a norm he fulfilled before the deadline of the 1986 plan. This year, as of that date the corporation's aircraft had transported, safely and according to plan, 21,408 people and 106 tons of cargo. At drilling platform No 3 deputy platform leader S.V. Grigorevich, who commanded that production shift, said that the equipment on the platform was operating well and that the platform's first well was providing a strong and stable flow of oil. The drilling team was in the process of drilling a second well and had drilled 401 meters. On platform No 1, engineer Ha Ngoc Khue, the platform supervisor, announced that the final meters of the fifth well were being drilled, and that four other production wells were providing the platform with a steady flow of oil. To date, the Ocean Drilling Department had overfulfilled its annual plan by 135.3 percent.

In the primary production zone, the first unit in the enterprise to fulfill the annual plan was the Construction Department, 2 months and 15 days early. By November the Department had surpassed its plan norm to manufacture components by 11 percent and its assembly plan norm by 7 percent. Everyone acknowledged that the construction cadres, engineers, and workers had achieved two great feats: bringing drilling platform No 3 into operation early and successfully stabilizing the floating Crum oil loading station, thus contributing to accelerating the enterprise's exploitation rate. Nguyen Trong Nhung, M.A., deputy head of the construction department and in over-all charge of assembling platform No 3, said that "The main production units were able to attain such a rate because, in addition to their own efforts, of the very great contributions of our friends, the units which do support and service work."

That is true. The units doing production service and technical support work coordinate their work at about the same time as the main production units. The scientific research and design institute fulfilled its 1986 plan on 12 December by defending its "Phase 1 Technical Plan for Bach Ho Petroleum Exploitation." The Geophysical Drilling Enterprise fulfilled its plan in November. it overfulfilled its geophysical drilling survey plan by 31.5 percent, overfulfilled by 35.8 percent its plan to detonate explosives to open up oil deposits, and fulfilled its plan to detonate explosives to explore for petroleum. The truck transportation enterprise fulfilled its plan on 10 December: the norm regarding the number of days on which vehicles were in good operating order was surpassed by 4 percent, the norm regarding the number of operational vehicle days was surpassed by 14 percent, the norm regarding the volume of cargo transported was surpassed by 66 percent, and the norm regarding the volume of goods handled at the port was surpassed by 117 percent. Especially, during the month of emulation to celebrate the Party Congress, 10 tons of fuel were saved and vehicles and machines were repaired, thus saving 100,000 dong. By the end of November three service units of the enterprise federation had fulfilled their annual plan. The first was the Central Machinery Enterprise, which surpassed its total output plan norm by 56.45 percent and did a good job of serving the manufacture of replacement parts for drilling equipment. The workshop produced 44,735 such parts. The second was the Technical Service Department, which set new records with regard to rapidly unloading ships and quickly taking raw materials, materials, and spare parts to the places of production. On the average, each shipment was unloaded in less than the norm of 6 hours. The third was the consumer goods supply office surpassed its plan by 29.8 percent and did a good job of organizing the living conditions of the workers and engineers working on the drilling platforms and the construction forces.

Derugonov, deputy secretary of the joint enterprise, observed that "We see that the atmosphere of our Vietnamese friends awaiting the Sixth Congress of the Vietnam Communist Party is identical to ours when we awaited the 27th Congress of the CPSU."

At the last minute, before sending this article to the editor, I received more good news. The Ekhaba exploratory drilling platform had just completed a new exploratory well north of Bach Ho to more accurately determine the parameters of the oil field. On 30 April 1985 that platform proved out a well and contributed to the decision to reorient drilling to a new part of Bach Ho and found commercial oil deposits with strong flows. The Vietnamese and Soviet oil and gas workers promise the Congress that they will surpass all aspects of the 1986 plan, including the plan norm regarding the production of crude oil, to create a solid basis for future years. That was included in the report commemorating the fifth anniversary of the founding of the Joint Vietnam-Soviet Enterprise by the enterprise's general director.

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CSO: 4209/242

## BRIEFS

QUANG NINH COAL MINERS' ACCOMPLISHMENTS--Achieving practical accomplishments to celebrate the Sixth Party Congress, more than 3,700 cadres and workers of the Coc Sau Coal Mine and the truck group of the Cam Pha Coal Corporation in Quang Ninh enthusiastically competed in production labor and reported good news: at exactly 1000 on 12 December the last coal truck of the annual plan was loaded, which increased the amount of coal mined in 1986 to 1.8065 million tons, 100.36 percent of the plan norm. During the last days of the plan year the cadres, party members, and workers of the Coc Sau mine are determined to mine 100,000 additional tons of coal, fulfill the plan to excavate 5.5 cubic meters of earth and rock, and to do a good job of preparing material-technical conditions for victoriously fulfill the plan to produce 2 million tons of coal, beginning with the first days and months of the year, and contribute to transforming the resolution of the Sixth Party Congress into reality. [Text] [Hanoi NHAN DAN in Vietnamese 13 Dec 86 p 1] 5616

CSO: 4209/242



## ACCOMPLISHMENTS OF SMALL INDUSTRY-HANDICRAFTS SECTOR NOTED

Hanoi NHAN DAN in Vietnamese 12 Dec 86 p 2

[Article: "Accomplishments of the Small Industry-Handicrafts Sector During the Past 5 Years"]

[Text] During the past 5 years the small industry-handicrafts sector has made many important contributions to our country's economy.

The small industry-handicrafts production forces are becoming increasingly developed. In 1985 the development rate was 112.4 percent greater than in 1980. At the end of 1980, only 1,604,592 people were working in the handicraft trades. By 1985 the nation had more than 1.8 million small industry-handicrafts workers, nearly three-fourths of whom were participating in low-level or high-level production forms, in more than 5,600 cooperatives and nearly 9,000 production cooperative teams. In addition, there are a large number of handicraft workers in 15,346 agricultural cooperatives and 2,420 cooperatives in other sectors, along with nearly 70,000 individual small industry-handicrafts workers in families and private enterprises.

During the past 5 years small industry-handicrafts production has developed rather extensively in many sectors in the territorial areas, including the border provinces and mountainous provinces. The sector has met part of the increasingly greater and varied needs of the people for consumer goods, repair services, and public services. Exports have steadily increased. The production of labor tools and construction materials, and the construction and repair of housing, have increased. The sector has produced product components on a contract basis, supplied miscellaneous equipment and parts, provided jobs for urban workers, and rationally used agricultural workers.

Although there are few material-technical bases, with the all-out efforts of each installation to emphasize self-installation to emphasize self-equipping and self-manufacture, while being assisted by the state organs and the state industrial installations, many cooperatives now have spacious workshops with hundreds of machines of all kinds. Some cooperatives have been equipped with relatively modern vehicles and machines.

By 1985 the capital of the specialized small industry-handicrafts cooperatives in the nation had increased by 191.2 percent over 1981. As production

developed, some places had regular work and the lives of the cooperative members were stabilized.

The small industry-handicrafts sector now produces more than 30,000 products to serve production, consumption, and export. In 1985 the value of small industry-handicrafts products accounted for 45 percent of the value of industrial output in general and 70 percent of the value of local industrial output, more than 65 percent of the value of the production of consumer goods, and nearly 20 percent of the national export value. A number of small industry-handicrafts have received first-class quality classifications, and 812 products were awarded medals at the Vietnam Economic-Technical Accomplishments Fair and Exposition (including 318 gold medals).

The successful organization of the first national traditional small industry-handicrafts competition in the spring of 1986 began an annual spring competition in that production sphere and signified the progress of the sector in recent years. That is a production movement which mobilizes the broad laboring masses, skilled artists and craftsmen, scientific-technical cadres. In provinces, municipalities, and special zones have participated in creating more than 6,000 new products with high quality which have economic, technical, and artistic value.

During the past 5 years the small industry-handicrafts sector has expanded ties with the international small industry and handicrafts organizations, especially with those of the fraternal socialist nations. In addition to exchanges in vocational training, our country's small industry-handicrafts sector has sought the assistance of other countries in order to have in-depth investment, obtain additional equipment, and renovate the industrial production lines. Especially, our country's small industry and handicrafts sector has helped Laos and Cambodia with equipment, materials, and specialists, and has trained and improved the skills of their handicraft workers.

The small industry and handicrafts workers have contributed worthily to the enterprise of building and defending the socialist Fatherland.

Despite the notable accomplishments, in general the quality of the cooperativization movement is still low. The economic management level of the small industry-handicrafts sector is still low. Among some small industry-handicrafts workers there are still negative phenomena in production and commerce, and in fulfilling the obligation to contribute to the state. The phenomenon of producing good samples but producing poor-quality goods when they are mass-produced is still widespread. The material-technical bases are still weak and backward, and tools and technology have not been renovated. Therefore, labor productivity is still low and production costs are still high. The number of skilled workers is not yet high and a number of traditional trades have declined. The great potential of small industry-handicraft production has not yet been strongly exploited and developed.

In the 1986-1990 5-year plan, the small industry-handicrafts sector will promote the skilled production and skilled management emulation movement and make the spring traditional small industry-handicrafts completion to achieve merit for the party a regular practice, in order to improve product quality, create new products, develop many commodity products, step up the rate of development, and positively serve production, consumption, and exporting.

## SMALL INDUSTRY, HANDICRAFTS GAIN IN BAC THAI

OW031942 Hanoi VNA in English 1457 GMT 3 Mar 87

[Text] Hanoi VNA March 3--Small industrial and handicrafts production is gaining momentum in the northern midland province of Bac Thai which abounds in raw materials and manpower.

This year, the province plans to raise its small industrial and handicraft output value to 250 million dong (Vietnamese currency), 50 million dong more than last year. The output value in this field is expected to be doubled by 1990.

Although they are not local traditional occupations, handicrafts are now practiced widely in the province and have become a main line of production.

To date, Bac Thai's small industry and handicrafts have employed over 13,465 workhands in different trades, especially in processing forest products and agricultural produce, making building materials, and producing export goods.

Making full use of its good sources of raw materials, the province has turned out over 40 items of arts and crafts for export and nearly 200 products for local consumption. The most appreciated articles are its palm and bamboo blinds which won gold medals at the 1986 national economic-technical fair in Hanoi. Last year, it produced 356,000 square metres of palm blinds and 38,000 square metres of bamboo blinds for export and domestic use.

To ensure continued expansion of production, the province has sought to undertake new trades and occupations including the production of leatherwear, glassware, and other commodities with locally-found raw materials, it has marked off large areas for the planting of industrial and cash crops. Besides, it has signed contracts with neighbouring provinces on the supply of raw materials. Links of economic integration have been established between Bac Thai and several scientific and technical institutes for the boost of small industrial and handicrafts production.

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CSO: 4200/369